

City of

YUBA CITY

California



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2012

**CITY OF YUBA CITY
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended
June 30, 2012**

**CITY OF YUBA CITY
Finance Department**

Robin Bertagna, CPA
Finance Director

DEDICATED TO THE MEMORY OF A FALLEN SOLDIER

On May 7, 2012 a son of our community was killed in action defending our freedom. At the age of 24, Army Specialist Chase Stone Marta lost his life while in the Ghazni province, Afghanistan as part of "Operation Enduring Freedom". To pay tribute to the lifelong Yuba City resident, thousands of community members filled the streets, waving American flags all along the funeral procession route. In reverence to the family of Spc. Chase Marta, the community rallied to show support and respect. Unfortunate events such as this show the true spirit and camaraderie of our wonderful City.

Yuba City retains the atmosphere, caring and friendliness of a small town while managing new businesses, retail and residential development. The dedication of the cover to our community's fallen soldier reinforces this identity; one that is community-minded and value-centered.



Photography by:

Chris Haile

chrishailephotography.com

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December 26, 2012

Honorable Mayor and Members of the City Council,

It is our pleasure to submit the City of Yuba City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. Management relies upon a comprehensive framework of internal controls to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (USGAAP). Because the cost of internal controls should not outweigh their benefits, Yuba City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. This report includes the annual audit report of the City's independent auditors, Moss, Levy & Hartzheim, LLP. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. The data is designed to factually set forth the City's financial condition and to present results of City operations as measured by activity among the various fund groups in an easily readable and understandable style.

State statutes require an annual audit of the City's financial records by independent certified public accountants. The firm of Moss, Levy & Hartzheim, LLP, Certified Public Accountants audited the City's financial statements. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget's Circular A-133. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is combined in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in the separately issued single audit report.

The financial statements are prepared in accordance with Accounting Principles Generally Accepted in the United States of America (USGAAP) as promulgated by the Governmental Accounting Standards Board (GASB), and include the report of the City's independent public accountants. The CAFR is presented in three sections: introductory, financial, and statistical. The introductory

section includes this transmittal letter, the City's organizational chart, and a list of principal officers. The financial section includes the basic financial statements, including management's discussion and analysis, the combined and individual fund statements and schedules, and the auditor's report on the financial statements and schedules. The statistical section includes selected multi-year financial and demographic information.

USGAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

For the fiscal year ended June 30, 2012, the City implemented the requirements of GASB Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions* which had no impact on these financial statements. More information regarding GASB 64 is available in Note 1P to the Financial Statements.

YUBA CITY HISTORY AND GOVERNMENT PROFILE

The City of Yuba City is a unique suburban/rural community located along the Feather River in Sutter County, 45 miles north of downtown Sacramento and 40 miles south of the City of Chico.

The City's population is currently estimated to be 65,300 and the City comprises 14.65 square miles. The City is the political, cultural, and economic center for the Yuba City Metropolitan Statistical Area (Yuba City MSA). The Yuba City MSA encompasses both Sutter and Yuba Counties. The MSA is comprised of nearly 1,250 square miles and is home to approximately 165,000 residents, 94,000 of whom reside in Sutter County and 71,000 of whom reside in Yuba County.

Yuba City was founded in 1849, as one of California's first communities that developed during the Gold Rush era. Since its incorporation in 1908, Yuba City has retained its link to the Sacramento Valley's rich agricultural heritage. Although Yuba City is home to hundreds of industrial, retail, and commercial businesses, and is responsible for providing a vast array of urban services to a growing population, agriculture continues to play an important role in the local economy. The area that surrounds Yuba City is one of the world's most productive agricultural regions. The region's leading commodities include rice, peaches, dried plums, walnuts, and tomatoes.

The City is a full-service general law city that operates under a Council-Manager form of government. The City Council consists of five members, elected at large to serve four-year terms. The elections are staggered every two years, with three seats open in one election and two seats open in the next election. The Mayor is elected by the City Council to serve a one-year term. The Mayor serves as the City Council's presiding officer. The City Treasurer and City Clerk are also elected to serve four-year terms.

The City Council appoints a City Manager to implement its policies and directives. All of the City departments operate under the supervision of the City Manager. In adhering to the City's mission

statement (*To anticipate and provide for the needs of the community through quality service, innovation, and leadership, now and into the future*), each department provides the level of services that the Yuba City community wants, needs, and is willing to pay for. Municipal services include police and fire protection, water and sanitation services, construction and maintenance of streets and infrastructure, planning and zoning, economic development, recreational activities and cultural events, and general administrative/support services.

This report includes all of the funds of the City. This report also includes the financial activities considered to be part of, controlled by, and/or dependent on the City. Accordingly, this financial report incorporates financial data for *component units* of the City including the Yuba City Redevelopment Agency and the Yuba City Public Financing Authority. Component units are legally separate entities for which the City is financially accountable. The Yuba City Redevelopment Agency was eliminated under the provisions of AB 1X 26 and AB 1484 as were all other Redevelopment Agencies in the State of California. The current year financial report includes the activities of the Agency through January 31, 2012. Subsequently, the activities of the Successor Agencies, both the Low/Mod Successor Agency and the RDA Successor Agency, are reported as Private-Purpose Trust Funds.

ECONOMIC CONDITION & FINANCIAL INFORMATION

Local Economy

The recessionary economy, a high rate of unemployment, foreclosures, and the State's continued budget deficit, have all continued to have a remarkable effect on the Sacramento Valley. The number of housing foreclosures has continued to grow in many communities. Yuba City has not been buffered by this situation. Following years of significant residential development in Yuba City, new home construction has slowed to an almost halt and foreclosed homes are prevalent. In time, the housing construction cycle will return. The national economy began emerging from the recession during 2012. However, the Sacramento Valley has been slower to rebound. The Sacramento Valley typically enters the economic slowdown later than the national economy; recovery therefore lags the rest of the nation. Yuba City has shown some signs of recovery. Sales tax results for the past seven quarters have seen positive sales growth. In fact, the average quarterly increase during FY 2011-12 compared to the same quarter of the previous year was 7.25%. This bit of optimism is tempered by the fact that assessed values for property taxes have continued to decline.

The State has continued to take local resources in spite of the passage of Proposition 1A and Proposition 22. The State's FY 2011-12 budget eliminated general fund revenues for vehicle license fees, instead shifting the funds to Police grants which had already been provided to local agencies by the State. This State "shift" took away approximately \$250,000 of revenue from Yuba City. As mentioned above, the State has also eliminated Redevelopment agencies throughout the State. The City has undergone an Agreed Upon Procedures engagement and two Due Diligence Reviews as required by the State. Upon completion, the City is being required to remit \$2.4 million in LMIHF and will likely be required to remit \$2.2 million in Redevelopment funds that the City had planned to use for local housing projects for low and moderate income individuals, Gauche Park debt service, and the clean-up of contaminated sites in the City among other things.

For additional information regarding Yuba City's local economy, please refer to Management's Discussion & Analysis, which begins on page 3.

Budget Process and Long-Term Financial Planning

The City prepares a budget for each fiscal year on or before June 30. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund and special revenue funds are included in the annual appropriated budget. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level within an individual fund.

The City prepared its first two-year budget for FY 2007-09. Due to declining revenues, the City returned to a one-year budget process with intermediate reviews conducted every 90 days due to ever-changing economic conditions. The City remains committed to reviewing and updating its long range fiscal model which looks out ten years but is placing more emphasis and focus on evaluating the three-year sustainability of our general fund budget. Our budget policy specifically states "the City will strive to fund all current expenditures from current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues, or rolling over short-term debt." Although we strive to fund current expenditures from current revenues, it is explained in more detail below, that the City consciously made the decision to fund a portion of on-going expenditures from one-time reserve sources during the on-going economic downturn.

During the budget development process for the FY 2008-09 City budget, City staff anticipated the revenue shortfall trend. As such, Yuba City adopted a budget that included establishing a \$2.3 million Economic Stabilization Reserve (ESR) Fund within the general fund. The intent was to utilize the ESR to cover general fund operating deficits until the economy turned around.

With the recession being worse, and lasting longer, than originally expected, as part of the FY 2011-12 budget process, additional concessions were obtained from employee bargaining groups and the ESR was replenished using one-time reserve funds. The replenishment of the ESR is intended to support the City's structural budget deficits for FY 2011-12 through FY 2013-14, the same three year period of employee bargaining unit contracts in which job guarantees were provided in exchange for additional concessions. More detailed information regarding the City's ESR and budget deficit is provided in the Management's Discussion and Analysis section beginning on page 3.

The City Council has communicated that prudent financial management is one of their top priorities. City staff will continue to take a proactive approach in responding to changes in revenues while ensuring that we do not overreact and reduce service levels in an unnecessary manner. While City staff will continue to update its Long-Term Financial Planning model, we will continue the practice of providing quarterly financial reports to respond to the dynamic, ever changing economic challenges facing us in the short term.

MAJOR ACCOMPLISHMENTS

The City achieved several major accomplishments during FY 2011-12. Significant progress was made in reducing the City's structural budget deficit by developing a three year budget plan that reduced the deficit by approximately half with implementation of a ten percent furlough program. The City has continued to participate in Sutter Butte Flood Control Agency Joint Powers Authority to ensure that flood protection for the citizens of Yuba City remains the highest of priorities; construction on levee improvements should begin in the summer of 2013. In addition, there were many other important accomplishments during the year. Included were: Established the Sutter Animal Services Authority (SASA) JPA with Sutter County and the City of Live Oak, for the continuation and orderly transition of Animal Control Services in Sutter County; appointed City Council ad hoc committee to evaluate signage issues and established a ten-member advisory panel of community and business owners to assist the Ad-Hoc Committee with the task of evaluating the City's Sign Ordinance; dissolved the Redevelopment Agency of the City of Yuba City as of February 1, 2012 and established the Successor Agency and began the winding down process of redevelopment; approved a new solid waste franchise agreement with Recology Yuba-Sutter with an eight-year term; completed the Proposition 218 process to ensure sufficient funding for water and sewer for the next five years including adjustments to keep up with on-going operation and debt service coverage in addition to providing for modest replacement of deteriorating infrastructure; adopted an interim urgency ordinance enacting development standards/restrictions for medical marijuana cultivation with the city limits; and adopted an ordinance implementing a 2-tiered retirement system for new employees effective July 1, 2012.

MAJOR INITIATIVES

As set forth in the adopted budget of the City Council, there are several key issues and priorities of the City including flood control, economic development, public safety staffing, and infrastructure maintenance. Additionally, notable capital improvement projects include advancing the replacement of the 5th Street Bridge over the Feather River, advance increasing the capacity of Highway 99 and Highway 20 through Yuba City, assure Yuba City's continued supply of quality surface water, forward implementation of the Feather River Parkway project and secure additional grant funding, develop active open spaces for recreation through current detention ponds and other projects, forward a long-range infrastructure strategic plan, advance the construction of raw water intake and low lift pump station modifications which includes the installation of a fish screen, and advance long-term energy and maintenance savings by upgrading the City's streetlights through the use of LED technology.

PROSPECTS FOR THE FUTURE

The City continues its fiscally conservative general fund balance reserve to cover unanticipated revenue shortfalls or expenditure requirements. This year the City continued its long-standing policy of maintaining a 10% general fund uncommitted/unassigned reserve (\$3.97 million) in addition to the committed ESR balance (\$4.25 million). The ESR balance is shown as committed as it has been set aside by City Council to fund the City's anticipated deficits for FY 2011-12 through FY 2013-14. In addition, the City also has a healthy, unallocated general fund capital improvement program balance available (\$7.0 million). The recession has weakened the economy such that the

City of Yuba City has experienced a significant revenue decline. Through its long-range financial planning, the City has positioned itself to weather the extended downturn.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Yuba City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This was the twelfth year that the City received the award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City must publish an easily read and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both USGAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program's requirements, and we are submitting it to the GFOA for consideration of another Certificate.

The GFOA also awarded a Distinguished Budget Presentation Award to the City of Yuba City for Fiscal Year 2011-12. This is the highest form of recognition in governmental budgeting, and represents a significant achievement by any organization. The document is judged by an independent, anonymous panel of experts in the field of finance and budgeting. In order to receive the award, Yuba City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well a government's budget serves as a policy document, a financial plan, an operations guide and a communications device. The California Society of Municipal Finance Officers (CSMFO) likewise awarded the City of Yuba City the Certificate of Award – Excellence in Operational Budgeting.

Acknowledgments

Publication of this report was made possible by the efficient and dedicated service of the Finance Department staff. Furthermore, the professional expertise and commitment of Derek Rampone of the auditing firm of Moss, Levy & Hartzheim, LLP was appreciated.

In closing, without the interest and support of the City Council, preparation of this report would not have been possible.

Respectfully submitted,



Robin Bertagna, CPA
Finance Director

CITY OF YUBA CITY
CITY OFFICIALS
For the Fiscal Year Ended June 30, 2012

CITY COUNCIL

John M. Dukes, Mayor

John Miller, Mayor Pro-Tem

John Buckland, Council Member

Tej Maan, Council Member

Leslie McBride, Council Member

ELECTED OFFICIALS

Terrel Locke, City Clerk

Steven C. Kroeger, City Treasurer

APPOINTED OFFICIALS

Steven Jepsen, City Manager

Timothy Hayes, City Attorney

EXECUTIVE TEAM

Steven C. Kroeger, Assistant City Manager

Robin Bertagna, Finance Director

Aaron Busch, Community Development Director

Pete Daley, Fire Chief

Darin Gale, Economic Development Manager

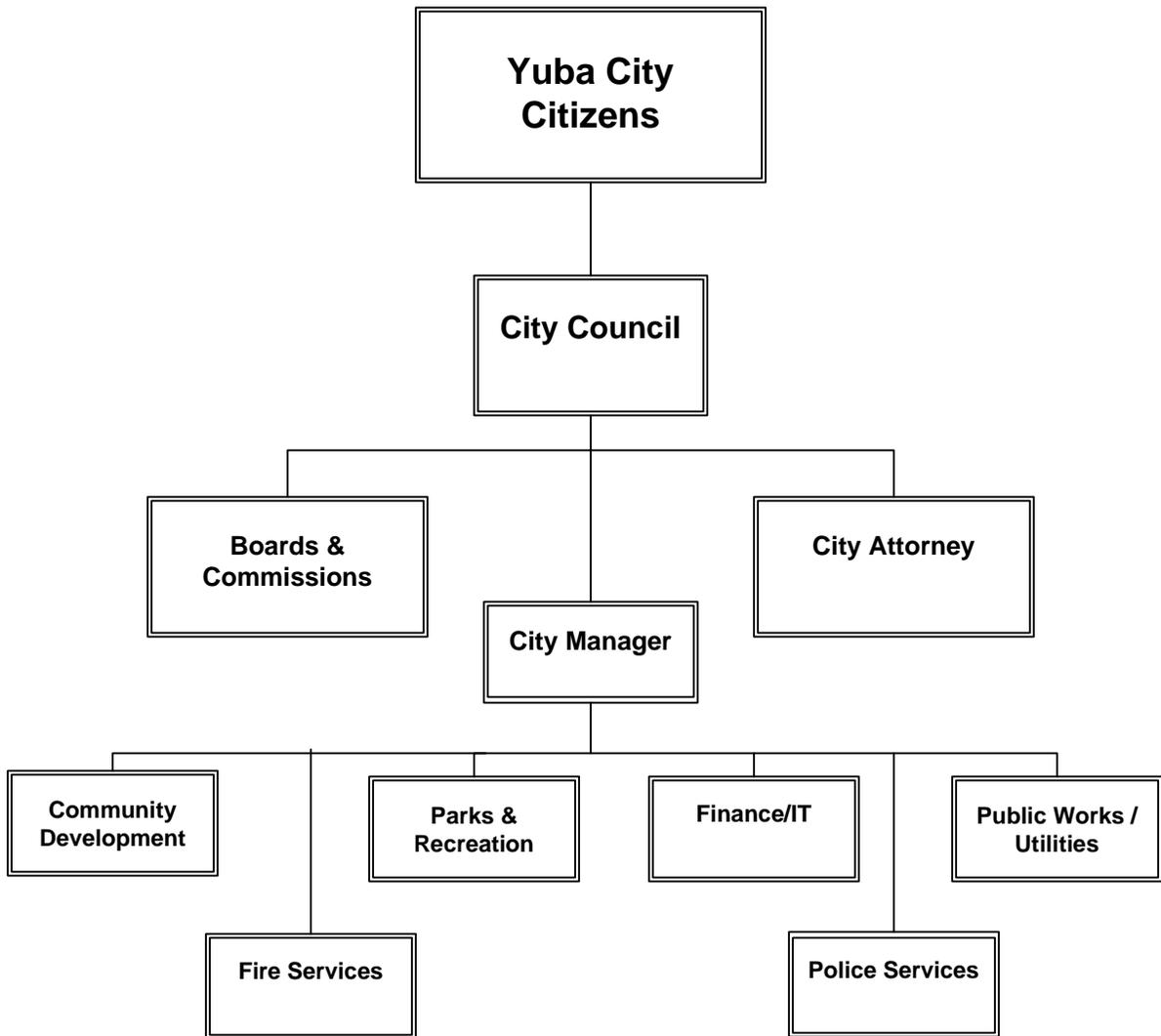
Robert Landon, Police Chief

Brad McIntire, Parks and Recreation Director

George Musallam, Public Works Director

Natalie Walter, Human Resources Manager

City Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Yuba City
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members
of the City Council of the City of Yuba City
Yuba City, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Yuba City (City), California, as of and for the fiscal year ended June 30, 2012, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* as issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Yuba City, California, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 of the notes to the basic financial statements effective July 1, 2011, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*.

In accordance with the *Government Auditing Standards*, we have also issued a report dated December 26, 2012, on our consideration of the City of Yuba City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Pension Trend Information, the Schedule of Funding Progress of Other Postemployment Benefits, and the Budgetary Comparison Schedules of the General Fund and major special revenue funds on pages 3 through 14, page 79, and pages 81 through 85 respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Yuba City's basic financial statements. The Introductory Section, the Budgetary Comparison Schedules for the Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, Internal Service Funds, Private-Purpose Trust Funds, and Agency Funds, and the Statistical Section listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Budgetary Comparison Schedules for the Nonmajor Governmental Funds, the Combining Financial Statements for the Nonmajor Governmental Funds, Internal Service Funds, Private-Purpose Trust Funds, and Agency Funds are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, CA
December 26, 2012

This discussion and analysis of the City of Yuba City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the preceding transmittal letter and the City's financial statements and related notes, which follow this section.

A. FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$644.3 million. Of this amount, \$61.1 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$24.1 million during the fiscal year.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$40.5 million, an increase of \$3.9 million from the prior fiscal year.
- The General Fund reported excess expenditures (and other financing uses) over revenues (and other financing sources) of \$0.08 million, before the Special Item.

B. OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of a series of financial statements, commonly referred to as the *City's Basic Financial Statements*. Management's Discussion and Analysis introduces these statements and includes two different views of the City's financial activities and position: (1) Government-Wide Financial Statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances; (2) Fund Financial Statements provide detailed information about the individual functions of City government, telling how services were financed in the short-term as well as what remains for future spending.

Each set of statements presents the City's finances in a distinct way. To assist the reader in understanding the differences between them, a brief discussion of each follows, including the relationship of these statements to each other and the significant differences in the information they provide.

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a broad overview of City finances in a manner similar to private-sector business. These statements separate the City's activities into two areas:

Governmental Activities – these services are principally supported by taxes and intergovernmental revenues. Most of the City's basic services are considered to be governmental activities including public safety, community development, public works, parks and recreation, and general administration.

Business Type Activities – these services rely upon user fees and charges to help cover all or most of their costs. The City's water and wastewater operations are reported here.

Within the framework of these activities, a Statement of Net Assets and a Statement of Activities report information about the City as a whole. These statements include all assets and liabilities of the City (i.e., infrastructure and long-term debt) and use the *full accrual basis of accounting* in which all the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The two statements can be generally described as follows:

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows.

Notably, these statements differ from the Fund Financial Statements in that they *include* all assets of the City (including infrastructure) and all liabilities (including long-term debt) and *exclude* certain interfund receivables, payables and other interfund activity as prescribed by GASB Statement No. 34. The Statement of Activities includes all revenues and expenses as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes. For an additional reference, reconciliations between the Statement of Net Assets and Governmental Funds Balance Sheet is provided on page 21 of this report and .

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds – not the City as a whole. Management establishes funds to help control and manage money for particular purposes. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds – most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using *modified accrual* accounting, which measures cash and all other financial assets that can be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. This information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and the governmental *funds* in a reconciliation following each statement.

The City's major governmental funds include the General Fund, HOME Grant Special Revenue Fund, Streets and Roads Special Revenue Fund, General Capital Improvement Projects Fund, and Impact Fees Capital Improvement Projects Fund. All other funds are combined in a single, aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements beginning on page 90 of this report.

Proprietary Funds – when the City charges customers for services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds provide the same type of information as shown in the government-wide financial statements (i.e., business type activities), only in more detail. The City has two types of proprietary funds: enterprise funds and internal service funds. The City uses enterprise funds to account for its water and wastewater operations. The City uses internal service funds to account for its general support services, employee benefits, and risk management services – activities that provide supplies and services for the City's other programs and activities. Since they predominantly serve the governmental rather than business type activities, they are included within the governmental activities in the government-wide financial statements.

Fiduciary Funds – the City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. These activities are excluded from the City's other financial statements because the resources of the funds are not available to support the City's own programs. The City is responsible for ensuring that the assets reported in these funds are used for the intended purposes. The City also has two Private-Purpose Trust Funds which are used to account for the Successor Agency funds of the former Redevelopment Agency. These Private-Purpose Trust Funds (PPTF) include the RDA Low/Mod Successor PPTF and the RDA Successor Agency PPTF.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents the following required supplementary information: budgetary comparisons for the City's General Fund, HOME Grant Special Revenue Fund, and Streets and Roads Special Revenue Fund; a description of the City's accounting policies with regard to the annual budget; and information regarding any excess of expenditures over appropriations.

C. GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

The City's combined Net Assets for the fiscal year ended June 30, 2012, totaled \$644.3 million, an increase of \$24.1 million from the prior fiscal year (the detail in the table below may not add due to rounding).

Summary of Net Assets
(Amounts in Millions)

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2012	2011	2012	2011	2012	2011	
Assets:							
Current and Other Assets	\$ 84.7	\$ 85.9	\$ 31.4	\$ 18.9	\$116.1	\$104.8	10.8%
Capital Assets	434.0	445.4	198.7	202.0	632.7	647.4	-2.3%
Total Assets	518.7	531.3	230.2	220.9	748.9	752.2	-0.4%
Liabilities:							
Current and Other Liabilities	16.6	21.8	4.2	2.9	20.8	24.8	-16.2%
Long-term Liabilities	22.5	58.4	61.3	48.9	83.8	107.3	-21.9%
Total Liabilities	39.1	80.2	65.4	51.8	104.5	132.0	-20.8%
Net Assets:							
Invested in Capital Assets, net of related debt	419.2	397.0	135.9	151.2	555.0	548.2	1.2%
Restricted	26.6	28.8	1.6	2.4	28.2	31.1	-9.4%
Unrestricted	33.8	25.3	27.3	15.6	61.1	40.9	49.4%
Total Net Assets	\$479.6	\$451.1	\$164.7	\$169.1	\$644.3	\$620.2	3.9%

At June 30, 2012, a significant portion of net assets (86 percent) consisted of the City's investment in capital assets, net of related debt. This component, which reflects the total amount of funds used to acquire those assets less any outstanding debt used for such acquisition, increased from the prior fiscal year by \$6.8 million. The increase is comprised of both an increase of \$22.2 million in governmental invested in capital assets and a decrease of \$15.3 million in business type invested in capital assets.

Governmental net assets invested in capital assets, net of related debt, increased by \$6.5 million due to the City's investment in new capital assets, \$0.7 million due to the change in the long-term debt associated with capital assets, and the exclusion of deferred amounts, such as costs of issuance and refunding differences, decreased by \$12.1 million due to depreciation, and increased by \$26.7 million due to the gain on transfer of assets and liabilities to the RDA successor trust funds. The largest investments in governmental type assets were the Drainage Improvement Project of \$0.7 million and the 2012 Road Rehabilitation Project of \$0.7 million.

Business type net assets invested in capital assets, net of related debt, increased by \$4.4 million due to an increase in the investment in new assets and decreased by \$12.9 million due to the change in the long-term debt associated with capital assets, and the exclusion of deferred amounts, such as costs of issuance, bond discounts, and refunding differences, and decreased by \$7.6 million due to depreciation. Increases in business type assets include the Walton Storage and Pump Station Project of \$6.1 million.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets are not generally liquidated for such purposes.

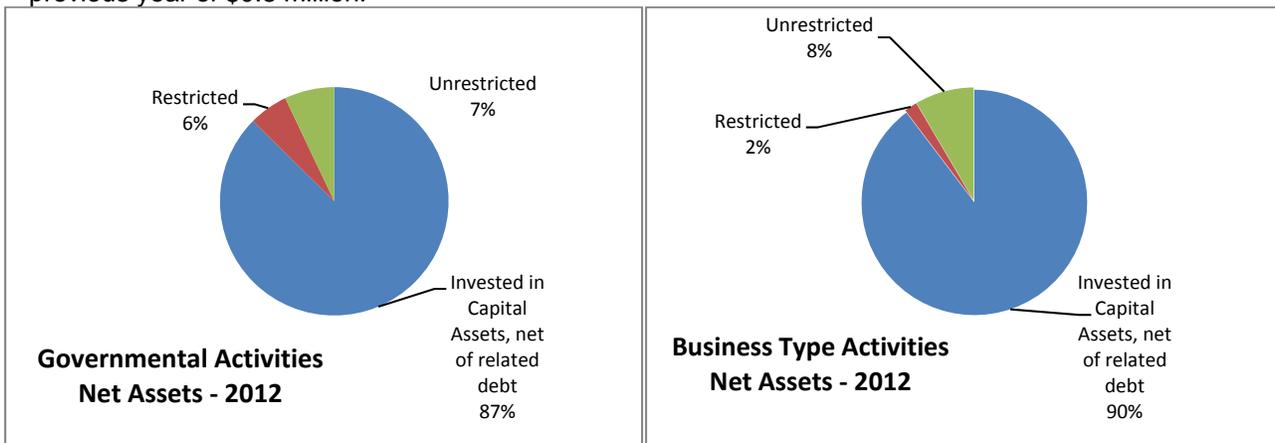
Restricted net assets of \$28.2 million (4 percent) represent resources subject to external restrictions as to how they may be used. Of the \$2.9 million decrease in restricted net assets, \$7.3 million was reduced within governmental activities due to removing the former Redevelopment Low/Mod Income Housing Fund from the City's governmental funds and moving it to the fiduciary funds section, a \$3.7 million decline in the amount restricted for capital projects, a \$.8 million decrease in the amount restricted for debt service, and an increase of \$8.7 million for separately stated specific purpose restrictions (see page 15 for the detailed listing).

Unrestricted Net Assets of \$61.1 million (9 percent) represent amounts that may be used to meet the City's ongoing obligations to its residents, businesses, customers, and creditors have increased \$20.2 million from the prior fiscal year. Of this increase, \$8.5 million occurred in the governmental activities due to removing restricted assets for the \$18.6 million debt from the advance from the general fund to the former redevelopment agency, which was partially offset by adding back the receivable from the Successor Agency Trust Fund of \$11.0 million. Unrestricted Net Assets for Business type activities increased \$11.7 million mostly due to reimbursements received from loan proceeds from the State Revolving Loan Fund of \$15.0 million.

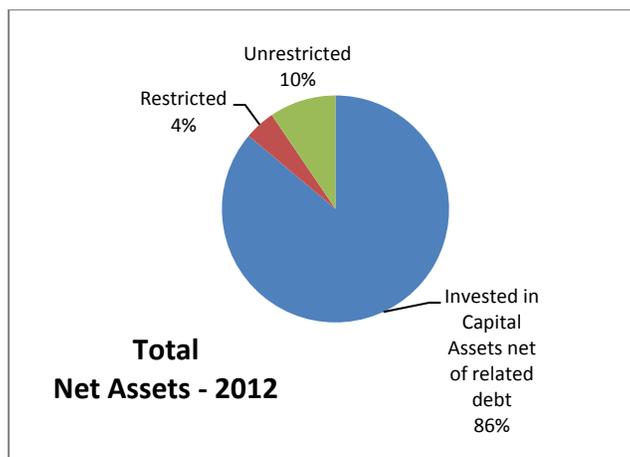
The increase in Current and Other Assets of \$11.3 million occurred mainly in the Business type activities, an increase of \$12.5 million, and was largely due to the receipt of loan proceeds of \$15.0 million from the State Revolving Loan Fund, reduced by expenditures \$4.3 million for funds spent to acquire capital assets, and increased by repayment of an interfund receivable of \$1.4 million.

The decrease in Current and Other Liabilities for governmental activities of \$5.2 million is mostly related to decreases in accrued interest of \$0.7 million, deposits payable of \$0.3 million, unearned revenue of \$3.8 million.

Long-term Liabilities decreased by \$23.5 million with a decrease of \$35.9 million in governmental activities and an increase of \$12.4 million in Business type activities. Governmental activities decreased due to removing \$33.9 million in tax allocation bond debt and \$1.7 million in loans payable related to the former Redevelopment Agency which are now included as long-term obligations of the Successor Agency Private-Purpose Trust Funds. The increase in business activities was due to receipt of SRF Loan proceeds used to fund the Groundwater to Surface Water conversion project in the water fund of \$15.0 million and the issuance of the 2011 Wastewater revenue refunding bonds \$9.7 million, reduced by repayment of the 2002 Wastewater certificates of participation of \$11.3 million, normal principal payments of \$0.3 million and further reduced due to an increase in the current portion of debt compared to the previous year of \$0.8 million.



City of Yuba City
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012



The following table shows the changes in net assets for governmental and business type activities (the detail may not add due to rounding):

Statement of Activities
(Amounts in Millions)

	Governmental Activities		Business Type Activities		Total		Total % Change
	2012	2011	2012	2011	2012	2011	
Revenues:							
Program Revenues:							
Charges for services	\$ 5.0	\$ 5.1	\$19.3	\$18.3	\$24.3	\$23.4	4.0%
Operating Grants and Contributions	3.6	3.4	0.1	0.5	3.7	3.9	-5.3%
Capital Grants and Contributions	4.5	8.3	-	-	4.5	8.3	-45.9%
General Revenues:							
Property Taxes	14.3	16.6	-	-	14.3	16.6	-14.2%
Sales and Other Taxes	10.8	10.5	-	-	10.8	10.5	3.2%
Investment Income	0.8	0.9	0.3	0.3	1.1	1.2	-14.2%
Other	1.0	0.5	-	-	1.0	0.5	101.0%
Total Revenues	40.0	45.3	19.7	19.2	59.7	64.5	-7.4%
Expenses:							
General Government	4.0	4.3	-	-	4.0	4.3	-7.0%
Public Safety	24.6	23.3	-	-	24.6	23.3	5.6%
Parks and Recreation	2.4	2.0	-	-	2.4	2.0	15.4%
Public Works and Facilities	14.4	13.7	-	-	14.4	13.7	4.6%
Community Development	1.8	3.5	-	-	1.8	3.5	-47.0%
Interest on Long-term Debt	3.0	3.2	-	-	3.0	3.2	-7.0%
Water	-	-	10.8	9.8	10.8	9.8	9.8%
Wastewater	-	-	10.1	9.9	10.1	9.9	1.9%
Total Expenses	50.2	50.1	20.8	19.7	71.0	69.7	1.8%
Transfers	3.3	2.9	(3.3)	(2.9)	-	-	n/a
Change in Net Assets Before Extraordinary Item	(6.9)	(1.9)	(4.4)	(2.6)	(11.3)	(4.4)	154.3%
Gain on Transfers to RDA Successor Trust Funds	32.1	-	-	-	32.1	-	n/a
Change in Net Assets	25.3	(1.9)	(4.4)	(3.4)	20.8	(5.3)	-494.9%
Net Assets - Beginning	451.1	452.9	169.1	172.6	620.2	625.5	-0.8%
Prior Period Adjustment	3.3	-	-	-	3.3	-	n/a
Net Assets - Beginning, Restated	454.4	452.9	169.1	172.6	623.5	625.5	-0.3%
Net Assets - Ending	479.6	451.1	164.7	169.1	644.3	620.2	3.9%

Governmental Activities

The City's governmental activities increased the City's net assets by \$28.5 million. Revenues decreased by 11.7 percent (\$5.3 million), while total expenditures increased by 0.2 percent (\$0.1 million). Revenue Highlights include the following:

- Capital Grants and Contributions decreased by \$3.8 million due to a \$0.1 million decline in public safety grants and a decline of \$3.7 million in public works and facilities capital grants and contributions which included a decline of \$0.5 million in federal grant funds, \$1.4 million in transportation development act funding, and \$1.7 million in impact fee revenues.
- Charges for services were decreased \$0.1 million from the previous fiscal year.
- Secured and unsecured property tax revenues decreased \$2.3 million due to the elimination of Redevelopment and declines in assessed valuations and Proposition 8 reassessments.
- Sales and other taxes increased by \$0.3 million due to increases in sales tax revenues.
- Miscellaneous revenues increased by \$0.5 million.
- Investment Income, which is a combination of interest earnings and change in the fair value of investments, decreased by \$0.1 million.
- Total expenses for governmental activities were \$50.2 million, which is a \$0.1 million increase from the prior fiscal year. General government declined \$0.3 million, Public Safety increased \$1.3 million, Parks and Recreation increased \$0.4 million, Public Works increased \$0.7 million and Community Development decreased 1.7 million.
- An extraordinary item for the gain on transfers to RDA Successor Trust Funds added \$32.1 million to net assets.
- A prior period adjustment of \$3.3 million from an understatement of loans receivable of \$0.7 million and an overstatement of unearned revenue of \$2.6 million also added to net assets.

Net Cost of Governmental Activities
(Amounts in Millions)
(Amounts may not add due to rounding)

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
General Government	\$ 4.0	\$ 4.3	\$ (3.9)	\$ (4.3)
Public Safety	24.6	23.3	(21.6)	(20.3)
Parks and Recreation	2.4	2.0	(1.2)	(0.8)
Public Works and Facilities	14.4	13.7	(7.7)	(3.7)
Community Development	1.8	3.5	0.3	(1.0)
Interest on Long-term Debt	3.0	3.2	(3.0)	(3.2)
Total Net Cost	\$ 50.2	\$ 50.1	\$ (37.0)	\$ (33.3)

As shown in the Statement of Activities, the amount that taxpayers ultimately financed for governmental activities was \$37.0 million because some of the cost was paid by those who directly benefited from the programs (\$5.0 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$3.6 million), and capital grants and contributions (\$4.5 million). Overall, these governmental program revenues totaled \$13.1 million. The City paid for the remaining "public benefit" portion of the governmental activities with \$25.1 million in taxes (some of which could only be used for certain programs) and with other revenues, such as interest and general entitlements.

Business Type Activities

The City's business type activities decreased the City's net assets by \$4.4 million. Total revenues increased by 2.6 percent (\$0.5 million), while total expenditures increased by 5.6 percent (\$1.1 million).

The net revenue increase includes the combination of an increase in service fees (\$1.0 million), and a reduction in operating grants and contributions (\$0.4 million). Both the water (\$0.8 million) and wastewater (\$0.2 million) revenue service fee increases were attributable to an increase in charges for services. Operating grants and contributions decreased due to an ARRA grant (\$0.4 million) received in the previous fiscal year for the installation of water meters project.

Operating costs for the water and wastewater enterprises increased \$1.0 million and \$0.2 million respectively. The water fund experienced an increase in depreciation expense (\$0.8 million) and the wastewater fund experienced an increase in the purchase of tools and equipment (\$0.4 million).

D. FUND FINANCIAL STATEMENT ANALYSIS

The fund financial statements provide detailed information about each of the City's most significant funds; not the City as a whole. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances that are available for spending. Unassigned fund balance is a measure of the City's net resources available for spending or assigning at the end of the fiscal year.

The General Fund is the chief operating fund of the City. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to total funding requirements. As of June 30, 2012, the total fund balance of the General Fund was \$19.3 million (of which 57 percent is attributable to a long-term receivable from the former Redevelopment Agency). The unassigned fund balance of \$3.97 million is equal to 11.7 percent of total General Fund expenditures. Total fund balance decreased by \$7.6 million from the previous fiscal year, due to \$7.5 million forgiveness of matured interest on advances.

At the beginning of FY 2008-09 the City transferred \$2.3 million of one-time funds to the General Fund to fund the City's Economic Stabilization Reserve (ESR) fund. The ESR is intended to provide funding to cover revenue shortfalls during the current economic downturn. During FY 2008-09, \$0.6 million was utilized to cover funding shortfalls, \$0.3 million was utilized during FY 2009-10, and an additional \$0.6 million was used during FY 2010-11. The remaining balance was replenished with an additional \$4.05 million from reserves to bring the fund balance committed for Economic Stabilization to \$4.675 million as shown in the prior year financial statements. The replenishment of the ESR was intended to fund the City's anticipated structural budget deficits for FY 2011-12 through FY 2013-14. During FY 2011-12, \$0.4 million was used from the ESR leaving a remaining balance of \$4.253 million as of June 30, 2012.

Although there is a net decline in fund balance within the General Fund of \$7.6 million, the majority of this is attributable to \$7.5 million listed as a special item for forgiveness of the matured interest on the advances between the former Redevelopment Agency and the City general fund. This special item relates to the long-term advance to the City's former Redevelopment Agency which is not a spendable resource, it is a long-term receivable due back to the General Fund. In accordance with the requirements of AB 1484, the City recalculated the interest rate on this loan at the LAIF rate and adjusted the balance downward by \$7.5 million accordingly. After factoring out the impact of this special item, the on-going change from operating activities is a negative \$0.08 million.

AB 1X26 and AB 1484 eliminated all redevelopment agencies in the State of California and included the process of their winding down. The former Yuba City Redevelopment Agency Special Revenue Fund and Debt Service Fund were reported in prior year financial statements as major funds but have been moved into the fiduciary funds section of this financial report due to the elimination of all former redevelopment agencies within the State.

At June 30, 2012, the HOME Grant Special Revenue Fund met the criteria to be reported as a major fund in the City's financial statements due to the large portfolio of notes receivable on home loans made under program guidelines to low and moderate income persons. These loans are also shown as a deferred revenue liability until they are repaid at which time the repayment is program income revenue. Both the notes receivable and deferred revenue were \$5.6 million as of June 30, 2012.

The Streets and Roads Special Revenue fund balance increased by \$1.8 million due to tax revenues which were accumulated for a project to be expended in fiscal year 2012-13.

The General Capital Improvement Projects fund shows an increase in fund balance of \$0.4 million. The increase in fund balance is attributable to repayment of \$0.2 million from Sutter Butte Flood Control Agency of a portion of the forgivable loan advanced to them for start-up costs in addition to \$0.8 million from Sutter County as a one-time distribution of property tax balances from a former street lighting district. This was decreased by \$0.5 million in expenditures for general capital projects during the fiscal year.

The Impact Fee CIP fund balance is not the best indicator of the fund's financial position since revenues are not realized until spent. However, the unearned revenue of \$12.6 million, a decrease of \$2.5 million from the previous fiscal year, represents the balance available for spending on projects included in the City's Impact Fee Ordinance.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning these funds have already been addressed in the discussion of government-wide financial analysis of business type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

A detailed budgetary comparison schedule for the year ended June 30, 2012, is presented as required supplementary information following the notes to the financial statements (page 81). The Approved Budget is adopted by the City Council prior to the July 1 start of the fiscal year (the "Original Budget"). The City Council usually makes expenditure and revenue estimate changes during the course of the fiscal year as new information becomes available (resulting in the "Final Budget").

The net increase in budgeted expenditures from the original budget to the final budget is \$1.6 million, which was attributable to: 1) Additional appropriations for carryover expenditures from the previous fiscal year for existing contractual obligations that totaled \$0.2 million; 2) additional appropriations for grant activities in the amount of \$1.0 million, which are not included in the budget until funds are physically received by the City; 3) and supplemental appropriations of \$0.1 million for funding Net 5 Narcotics Task Force after elimination of funding by the State, \$0.2 million for water and wastewater costs to City facilities in accordance with Proposition 218 and \$0.1 million for increased animal control costs. Actual expenditures were \$0.3 million less than the original budget and \$1.3 million less than the final budget.

The net increase in budgeted revenues (including transfers in) from the original budget to the final budget was \$1.1 million. This was almost entirely attributable to increasing revenue budgets to account for the receipt of grant funds of \$1.0 million and \$0.1 million related to increasing budgeted transfers in. Actual revenues (not including transfers in) were \$1.6 million more than the adopted budget and \$0.5 million more than the final budget.

In accordance with the requirements of AB 1484 regarding the elimination of Redevelopment Agencies, the City adjusted the loan receivable between the former Redevelopment Agency and the General Fund. The long-term receivable was recalculated using the LAIF interest rate as required, resulting in a special item—forgiveness of matured interest on advances of \$7.5 million.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – the capital assets of the City are those assets which are used in the performance of the City's functions, including infrastructure. The City has elected to use the "basic approach" as defined by GASB Statement No. 34 for infrastructure reporting. Accordingly, eligible infrastructure assets are depreciated under the straight-line method. At June 30, 2012, net capital assets of the governmental activities totaled \$434.0 million and the net capital assets of business type activities totaled \$198.7 million. Depreciation on capital assets is recognized in the Government-Wide Financial Statements (the detail may not add due to rounding).

Summary of Capital Assets
(Amounts in Thousands)

Governmental Activities:	
Land	\$ 125,346
Buildings and Improvements	47,277
Equipment, Vehicles, Machinery	17,873
Construction in Progress	5,745
Infrastructure	352,560
Total Governmental Capital Assets	548,802
Less: Depreciation	(114,820)
Total Net Governmental Activities:	\$ 433,982
 Business Type Activities	
Land	\$ 1,675
Buildings and Improvements	99,353
Equipment, Vehicles, Machinery	24,162
Construction in Progress	4,813
Infrastructure	142,730
Total Business-Type Capital Assets	272,733
Less: Depreciation	(73,999)
Total Net Business Type Activities:	\$ 198,734

This fiscal year's major capital asset additions were:

- Fire Station Improvements \$0.4 million
- Street Rehabilitation and Improvement Projects \$1.9 million
- Town Center Environmental Clean-Up Project \$0.8 million
- Walton Storage and Pump Station Improvement Project \$6.1 million
- Wastewater Collection System Rehabilitation Project \$0.8 million

Long-Term Debt – as of June 30, 2012, the City had outstanding debt issues as listed below. Not included in the table are assessment district and community facility district bonds since the City has no obligation for their repayment. Each of the City's other bonds are backed by certain specific revenues or General Fund lease payments. The City received rating changes from Fitch Ratings Agency and Standard & Poor's Rating Agency as follows:

- 1) Fitch Ratings Agency downgraded Yuba City's general fund rating on the outstanding 2006 Certificates of Participation from AA- with a negative outlook to A+ with a stable outlook in January, 2012, due to unemployment and income levels weaker than state levels and the declines in assessed value.
- 2) Standard & Poor's affirmed the A+ rating with a stable outlook related to on the City's 2005 Water Revenue Certificates of Participation in November, 2011.

- 3) Standard & Poor's upgraded the rating on Yuba City's Wastewater Revenue Certificates of Participation and newly issued 2011 Wastewater Revenue Refunding Bonds to AA- from A+ based on the wastewater enterprise's continued maintenance of strong debt service coverage and a strong liquidity position, even as connection-fee revenues have declined since fiscal year 2008 in October, 2011.

Summary of Long Term Indebtedness
(Not including compensated absences or postemployment benefits)
(Amounts in Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
RDA Tax Allocation and Revenue Bonds	\$ -	\$ 34,775	\$ -	\$ -	\$ -	\$ 34,775
Loans Payable	-	1,680	24,309	9,338	24,309	11,018
Capital Lease Payable	4,019	4,694	-	-	4,019	4,694
Certificates of Participation	11,230	11,500	-	-	11,230	11,500
Pension Obligation Bonds	4,770	5,485	-	-	4,770	5,485
Water Certificates of Participation	-	-	22,180	22,665	22,180	22,665
Wastewater Revenue Refunding Bonds	-	-	9,425	-	9,425	-
Wastewater Certificates of Participation	-	-	8,301	19,119	8,301	19,119
Total Indebtedness	<u>\$ 20,019</u>	<u>\$ 58,134</u>	<u>\$ 64,216</u>	<u>\$ 51,122</u>	<u>\$ 84,235</u>	<u>\$109,256</u>

The City refinanced the 2002 Wastewater Revenue Certificates of Participation on November 1, 2011 by issuing the 2011 Wastewater Revenue Refunding Bonds in the amount of \$9,715,000. This resulted in an economic gain of \$0.6 million.

The City approved a Project Finance Agreement with the California State Water Resources Control Board for \$7.7 million which includes principal forgiveness up to \$3.0 million as discussed in Note 15, Subsequent Events, on Page 76 of the CAFR.

For more detailed information on Capital Assets and Long-Term Debt, see Notes 3 and 5 to the Basic Financial Statements.

G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

On June 19, 2012, the Council adopted the FY 2012-13 Operating Budget with total appropriations of \$74.5 million. Adequate resources are available to fund the proposed expenditures. The budget reflects the City's short and long-term organizational goals within the framework of projected revenue. It reflects significant budget reductions from that of previous years and a planned use of one-time resources in light of current economic circumstances.

The past several years have been ones of tremendous financial change in California and Yuba City. The economic downturn continues to have dramatic effects on local government revenues throughout the State. With the continued economic slowdown, last year the City developed a multi-year budget plan recognizing that the City had limited options in the short term. The City could layoff trained and experienced staff, reduce services to citizens, seek additional employee concessions or draw from a combination of solutions. The City achieved a balance between reductions in expenditures through employee concessions and the use of one time reserve funds. In exchange for increasing the furlough program from five percent to a total of ten percent, City bargaining units were given job guarantees that there would be no layoffs for a three year period. The City retained the right to leave positions that become vacant through attrition, vacant and unfilled.

The City put together a three year budget plan to cover anticipated operating budget for the three years of FY 2011-12 through FY 2013-14, the same period of employee bargaining unit contracts.

The FY 2012-13 adopted general fund budget has a \$2.26 million structural deficit that was funded using the City's Economic Stabilization Reserve (ESR) in accordance with the City's three year budget plan. The ESR was replenished last year with funds to cover the City's anticipated deficit for the three year period including FY 2011-12 through FY 2013-14. The City increased appropriations between FY 2011-12 and FY 2012-13 by approximately \$750,000. These increases were due to cost escalations for animal control, water and wastewater charges for City facilities, retirement, staff merit increases and for the narcotic enforcement team.

Unfortunately, the structural deficit that continues to exist is not unique to Yuba City; most cities throughout California are experiencing similar circumstances. The difference between Yuba City and other cities may very well be the cooperation achieved last year between City Council, the Executive Team, bargaining unit leaders and all city staff in achieving a balance between reducing expenditures through voluntary concessions and the City's planned use of reserves.

The FY 2012-13 adopted budget projected a 3.5% decline in property taxes. Based upon the final assessed valuation reports from the Sutter County Auditor-Controller's Office, general fund assessed values decreased by 2.2% for the general fund. The City therefore anticipates property tax revenues for the fiscal year to be approximately \$61,000 more than budgeted. The five largest components of the change in values are as follows:

- o Properties were adjusted by a CPI factor of 2% between 2011-12 and 2012-13 (an increase of \$76.1 million in assessed valuations).
- o Residential decreased by 3.15% due to Proposition 8 reductions (\$88.9 million in assessed valuations).
- o Unsecured increased by 3.59% (\$12.7 million in assessed valuations).
- o Commercial decreased by 1.34% (\$10.6 million in assessed valuations).

Property tax revenue projections were also reduced by \$178,400 in FY 2012-13 due to a change in how property tax administration fees were allocated. Most counties in California had increased charges for administration of property taxes to cities after implementation of the triple flip many years back. Sutter County did not implement the increase in charges until FY 2011-12 as there was a pending lawsuit in the California Supreme Court regarding the methodology used in allocating costs. This lawsuit was settled in favor of cities in early December, 2012. This will result in the City receiving the \$178,400 that Sutter County withheld in FY 2011-12 (one-time money) plus an equal amount for FY 2012-13 that will not be charged to the City (on-going revenue).

Home sales have begun to rebound in Sutter County. The increased sales price are due to less distressed homes on the market and buyers beginning to purchase in the mid and high end areas. Low mortgage rates and affordable prices are proving attractive for buyers and finally convincing them to reenter the market. The median price of homes sold in Sutter County increased between July, 2011 and July, 2012 from \$140,000 to \$148,500, an increase of 6.1 percent.

As it relates to sales tax, consumer confidence appears to have returned as the City has seen increases in retail sales for the past eight quarters. Revenue projections included in the FY 2012-13 budget include a projected 2% increase for sales tax revenues. On a cash basis the most recent quarterly sales tax results were up 11.0% and 9.7% on an adjusted basis (April – June, 2012) and up 4.4% on a cash basis and 6.2% on an adjusted basis (January – March, 2012). If we continue to see larger than 2.0% increases in sales tax, projections for FY 2012-13 revenues will be updated. However, due to the lag time in receiving sales tax results information we do not yet have any data for FY 2012-13.

The state budget continues to be another source of economic uncertainty. The State continues to resolve its budget problem with one-time solutions, transfers, loans, and raids of local funds that push the problem out into the future. The State ballot measure to increase sales tax in the November, 2012 election was successful, helping to provide funding for the State's fiscal deficit and avoiding dramatic cuts to education.

In July, 2012, the State adopted AB 1484 implementing the elimination of Redevelopment agencies. This elimination process required the creation of a separate Oversight Board to wind down the affairs of the former Agency. The Successor Agency is required to file Recognized Payment Obligation Schedule (ROPS) with the State Department of Finance every six months in order to receive tax increment funding to pay the former Agency's obligations. The City has gone through three separate audit/reviews for Redevelopment. The first was an agreed upon procedures engagement, and the second two were due diligence reviews. The purpose of the due diligence reviews are for the City to advise the State how much money the former Agency is holding for both Redevelopment activities and for Housing, report any contractual commitments for which these funds must be held on to, and then submit the balance to the County Auditor-Controller for distribution.

The largest potential impact to the City for the foreseeable future is the States denial of the Gauche Park Certificates of Participation debt as a valid redevelopment enforceable obligation. The annual principal and interest payments on this debt have been paid one-half by developer impact fees and one-half by redevelopment funds since 2006. If the City is unable to convince the State that this is a valid obligation of the Agency, the general fund would have to take on repayment of one-half of this debt obligation. This would impact the general fund by adding approximately \$365,000 to expenditures each year. Over the remaining life of the debt issue, this amounts to approximately \$3.5 million in interest and \$5.6 million in principal for a combined total of \$9.1 million. The City is exploring all options available for obtaining authorization and approval to continue using redevelopment funds for this debt repayment.

The City's unemployment rate has increased since the 2007-08 fiscal year; current data approximates the annualized unemployment rate around 17.7 percent. This rate seems high when compared to a statewide average between 10 – 11 percent. However, the 17.7 percent represents a decline from the rate a year ago of 21.9 percent; an indicator that the local economic and job outlook is improving. The current rate, although high, is nonetheless predictable and appropriately considered by city management when planning for operational costs and available resources.

Even with the planned use of a portion of its Economic Stabilization Reserve, the City continues to maintain city council's goal of having a 10 percent budget reserve. The City has positioned its operations so that this reserve can be properly maintained into the future. Taking into consideration the impacts of the recession, the foreclosure crisis, increased PERS and healthcare costs, the City continues to closely monitor its revenue projections in comparison with its expenditure commitments; adjusting service levels accordingly in order to provide priority services to its citizens during this economic downturn.

The City's water and wastewater enterprises have not been exempt from current economic conditions. City staff has reviewed the water and wastewater budgets and reduced them where practical. The City continues to construct necessary capital improvement projects in order to expand or enhance existing infrastructure. Most notable is the recent completion of the Walton Storage and Pumping Station project. The City has applied for and received low interest loans from the State of California Department of Public Health to complete infrastructure improvement projects at a cost less than it could borrow using conventional bond financings. The loans will be repaid over a twenty year period from increases in user fees approved by City Council in July, 2012, as part of a Citywide Water and Wastewater rate study and public noticing process in accordance with the requirements of Proposition 218. A priority has been placed on preservation of existing capital connection fee fund balances in order ensure balances are available to pay debt service during the period where housing development (and therefore receipt of new customer connection fees) is all but nonexistent.

H. CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, or need any additional financial information, contact the Finance Department at 1201 Civic Center Boulevard, Yuba City, CA 95993, phone 530-822-5196, or email: lhaile@yubacity.net.

CITY OF YUBA CITY
STATEMENT OF NET ASSETS

June 30, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 51,478,067	\$ 26,179,641	\$ 77,657,708
Cash and investments with fiscal agents	2,023,909	1,677,068	3,700,977
Restricted cash and investments		850,535	850,535
Interest receivable	218,596		218,596
Accounts receivable	1,292,784	2,090,804	3,383,588
Taxes and assessments receivable	3,522,537	110,000	3,632,537
Receivable due from Successor Agency trust fund	11,009,010		11,009,010
Prepaid expenses	895,723	83,489	979,212
Inventory	18,322		18,322
Deposits receivable	15,000		15,000
Notes receivable	9,040,437		9,040,437
Deferred charges - net of accumulated amortization	519,351	436,899	956,250
Net pension assets	4,676,807		4,676,807
Capital assets:			
Nondepreciable:			
Land	125,346,238	1,674,698	127,020,936
Construction in progress	5,744,710	4,812,592	10,557,302
Depreciable:			
Buildings	38,102,865	25,267,392	63,370,257
Improvements	9,174,498	74,085,693	83,260,191
Machinery and equipment	17,873,426	24,162,106	42,035,532
Infrastructure	352,560,173	142,730,431	495,290,604
Accumulated depreciation	(114,820,040)	(73,998,664)	(188,818,704)
Total assets	<u>518,692,413</u>	<u>230,162,684</u>	<u>748,855,097</u>
LIABILITIES			
Accounts payable	1,221,715	1,140,168	2,361,883
Accrued liabilities	1,042,986	175,232	1,218,218
Accrued interest payable	84,476	143,198	227,674
Deposits payable	806,075	70,255	876,330
Unearned revenue	11,640,178	164,440	11,804,618
Compensated absences, due within one year	19,318	354,120	373,438
Noncurrent liabilities, due within one year	1,776,320	2,113,067	3,889,387
Noncurrent liabilities:			
Other post-employment benefits obligation	658,917		658,917
Compensated absences, due in more than one year	3,591,058	85,010	3,676,068
Other, due in more than one year	<u>18,243,047</u>	<u>61,195,108</u>	<u>79,438,155</u>
Total liabilities	<u>39,084,090</u>	<u>65,440,598</u>	<u>104,524,688</u>
NET ASSETS			
Invested in capital assets, net of related debt	419,160,425	135,862,972	555,023,397
Restricted for:			
Community development	5,608,428		5,608,428
Streets and roads	1,799,223		1,799,223
Landscape districts	694,222		694,222
Lighting districts	401,890		401,890
Mitigation purposes	100,681		100,681
Specific plan	171,461		171,461
Energy conservation	59,883		59,883
Rate stabilization	155		155
Capital projects	17,783,399		17,783,399
Debt service		1,596,243	1,596,243
Unrestricted	<u>33,828,556</u>	<u>27,262,871</u>	<u>61,091,427</u>
Total net assets	<u>\$ 479,608,323</u>	<u>\$ 164,722,086</u>	<u>\$ 644,330,409</u>

The notes to the financial statements are an integral part of this statement.

CITY OF YUBA CITY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 4,016,418	\$ 74,070	\$ 23,981	\$ -
Public safety	24,602,053	2,376,915	615,176	412
Public works and facilities	14,378,965	419,187	1,959,162	4,290,279
Community development	1,837,460	932,856	983,892	224,178
Parks and recreation	2,352,919	1,202,537		
Interest on long term debt	2,963,697			
Total governmental activities	50,151,512	5,005,565	3,582,211	4,514,869
Business-type activities:				
Water	10,785,207	9,592,893	53,842	
Wastewater	10,051,516	9,745,996	14,344	
Total business-type activities	20,836,723	19,338,889	68,186	
Total government	\$ 70,988,235	\$ 24,344,454	\$ 3,650,397	\$ 4,514,869

General Revenues

Taxes:

 Secured and unsecured property taxes

 Sales and use taxes

 Transient lodging taxes

 Franchise taxes

 Other taxes

Motor vehicle in lieu, unrestricted

Use of money and property

Miscellaneous revenue

Transfers

Total general revenues and transfers

Change in net assets before Extraordinary Item

Extraordinary Item

Gain on transfer of assets and liabilities
to RDA successor trust funds

Change in net assets

Net Assets, July 1, 2011

Prior period adjustments

Net Assets, July 1, 2011, restated

Net Assets, June 30, 2012

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Change in Net Assets		
Net Governmental Activities	Net Business-type Activities	Total
\$ (3,918,367)	\$ -	\$ (3,918,367)
(21,609,550)		(21,609,550)
(7,710,337)		(7,710,337)
303,466		303,466
(1,150,382)		(1,150,382)
(2,963,697)		(2,963,697)
<u>(37,048,867)</u>		<u>(37,048,867)</u>
	(1,138,472)	(1,138,472)
	<u>(291,176)</u>	<u>(291,176)</u>
	(1,429,648)	(1,429,648)
<u>(37,048,867)</u>	<u>(1,429,648)</u>	<u>(38,478,515)</u>
14,258,572		14,258,572
7,797,443		7,797,443
637,662		637,662
1,454,956		1,454,956
904,052		904,052
32,438		32,438
757,501	304,896	1,062,397
1,038,920		1,038,920
3,286,481	(3,286,481)	
<u>30,168,025</u>	<u>(2,981,585)</u>	<u>27,186,440</u>
(6,880,842)	(4,411,233)	(11,292,075)
<u>32,136,963</u>		<u>32,136,963</u>
<u>25,256,121</u>	<u>(4,411,233)</u>	<u>20,844,888</u>
451,061,243	169,133,319	620,194,562
<u>3,290,959</u>		<u>3,290,959</u>
<u>454,352,202</u>	<u>169,133,319</u>	<u>623,485,521</u>
<u>\$ 479,608,323</u>	<u>\$ 164,722,086</u>	<u>\$ 644,330,409</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

CITY OF YUBA CITY
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2012

	General Fund	HOME Grant Special Revenue Fund	Streets and Roads Special Revenue Fund
ASSETS			
Cash and investments	\$ 6,817,791	\$ 5,521	\$ 1,387,308
Cash and investments with fiscal agent			
Interest receivable	218,584		
Accounts receivable	535,313		90,208
Taxes and assessments receivable	3,113,230		399,838
Prepaid expenditures	27,321		
Due from other funds	275,264		
Deposits receivable	15,000		
Notes receivable		5,602,954	
Receivable due from Successor Agency trust fund	11,009,010		
Total assets	\$ 22,011,513	\$ 5,608,475	\$ 1,877,354
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 381,753	\$ 47	\$ -
Accrued liabilities	1,029,554		
Deposits payable			
Deferred revenue	1,343,906	5,602,954	78,131
Due to other funds			
Total liabilities	2,755,213	5,603,001	78,131
Fund Balances:			
Nonspendable	11,036,331		
Restricted		5,474	1,799,223
Committed	4,252,629		
Unassigned	3,967,340		
Total fund balances (deficits)	19,256,300	5,474	1,799,223
Total liabilities and fund balances	\$ 22,011,513	\$ 5,608,475	\$ 1,877,354

The notes to the financial statements are an integral part of this statement.

General CIP Capital Projects Fund	Impact Fees CIP Capital Projects Fund	Other Governmental Funds	Total
\$ 10,319,614	\$ 16,165,936	\$ 3,405,235	\$ 38,101,405
		2,023,909	2,023,909
		12	218,596
273,182	145,840	202,804	1,247,347
		9,469	3,522,537
			27,321
87,690			362,954
			15,000
200,547	1,315,810	1,921,126	9,040,437
			11,009,010
<u>\$ 10,881,033</u>	<u>\$ 17,627,586</u>	<u>\$ 7,562,555</u>	<u>\$ 65,568,516</u>
\$ 4,397	\$ 512,036	\$ 148,377	\$ 1,046,610
			1,029,554
	42,501	763,574	806,075
223,303	12,558,262	2,031,111	21,837,667
	87,690	275,264	362,954
<u>227,700</u>	<u>13,200,489</u>	<u>3,218,326</u>	<u>25,082,860</u>
			11,036,331
798,040	4,427,097	2,294,852	9,324,686
9,855,293		2,312,534	16,420,456
		(263,157)	3,704,183
<u>10,653,333</u>	<u>4,427,097</u>	<u>4,344,229</u>	<u>40,485,656</u>
<u>\$ 10,881,033</u>	<u>\$ 17,627,586</u>	<u>\$ 7,562,555</u>	<u>\$ 65,568,516</u>

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CITY OF YUBA CITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2012

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 40,485,656

In the governmental funds balance sheet, only current assets are reported.
In the statement of net assets, all assets are reported,
including capital assets and accumulated depreciation.

Capital assets	\$ 537,258,285	
Accumulated depreciation	<u>(105,705,732)</u>	
Net		431,552,553

In the governmental funds balance sheet, interest on long-term debt is not recognized until the period in which it matures and is paid.
In government-wide statement of net assets, it is recognized in the period that it is incurred. (84,476)

Under the modified accrual basis of accounting used in governmental funds, revenues and expenses are not recognized for transactions that do not represent available financial resources. In the statement of net assets and statement of activities, however, revenues, assets, expenses, and liabilities are reported regardless of when financial resources are available.

Deferred revenue	10,205,418
Accounts payable	(106,542)

The net pension asset pertaining to governmental fund types is not a current financial resource and therefore is not recorded in the governmental fund statements. 4,676,807

Long-term liabilities: In the governmental funds balance sheet, only current liabilities are reported. In the statement of net assets, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Other post-employment benefits obligation	\$	(658,917)
Certificates of participation, net of issue costs (\$427,922)		(10,802,078)
Pension obligation bonds, net of bond issue costs (\$91,429)		(4,678,571)
Capital leases payable		(4,019,367)
Compensated absences		<u>(3,576,472)</u>
Net		(23,735,405)

Internal service funds are used by management to charge the cost of certain activities such as insurance and equipment maintenance and operations, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets. 16,614,312

TOTAL NET ASSETS, GOVERNMENTAL ACTIVITIES \$ 479,608,323

CITY OF YUBA CITY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012

	General Fund	HOME Grant Special Revenue Fund	Streets and Roads Special Revenue Fund
Revenues:			
Taxes and assessments	\$ 23,405,233	\$ -	\$ 3,186,297
Use of money and property	109,939	1,073	18,447
Intergovernmental revenues	762,744	553,028	200,831
Charges for services	2,384,467		
Licenses, permits, and fees	571,611		
Fines and forfeitures	46,869		
Program income		22,361	
Other revenues	176,755		142,500
Total revenues	<u>27,457,618</u>	<u>576,462</u>	<u>3,548,075</u>
Expenditures:			
Current:			
General government	3,531,191		
Public safety	22,742,558		
Parks and recreation	1,794,251		
Public works and facilities	4,396,000		
Community development	966,564	425,324	
Capital outlay	336,213		
Debt service:			
Principal	117,644		
Interest and other charges	10,506		
Total expenditures	<u>33,894,927</u>	<u>425,324</u>	
Excess of revenues over (under) expenditures	<u>(6,437,309)</u>	<u>151,138</u>	<u>3,548,075</u>
Other Financing Sources (Uses):			
Transfers in	6,356,565		2,029,522
Transfers out		(7,742)	(3,774,226)
Total other financing sources (uses)	<u>6,356,565</u>	<u>(7,742)</u>	<u>(1,744,704)</u>
Net changes in fund balances before Special and Extraordinary Items	(80,744)	143,396	1,803,371
Special Item			
Foregiveness of matured interest on advances	(7,545,917)		
Extraordinary Item			
Gain on transfer of assets and liabilities to RDA successor trust funds			
Net changes in fund balances	(7,626,661)	143,396	1,803,371
Fund balances (deficits) - July 1, 2011	<u>26,882,961</u>	<u>(137,922)</u>	<u>(4,148)</u>
Fund balances (deficits) - June 30, 2012	<u>\$ 19,256,300</u>	<u>\$ 5,474</u>	<u>\$ 1,799,223</u>

The notes to the financial statements are an integral part of this statement.

General CIP Capital Projects Fund	Impact Fees CIP Capital Projects Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 2,131,834	\$ 28,723,364
108,983	152,935	149,461	540,838
300,617	412	664,186	2,481,818
3,600	1,509,930	983,863	4,881,860
		2,314	573,925
		375,088	421,957
		10,195	32,556
998,586	1,315,809	751,328	3,384,978
<u>1,411,786</u>	<u>2,979,086</u>	<u>5,068,269</u>	<u>41,041,296</u>
		3,322	3,534,513
		105,476	22,848,034
		253,561	2,047,812
		216,500	4,612,500
		824,372	2,216,260
531,403	2,103,274	2,534,534	5,505,424
		2,036,452	2,154,096
		2,918,306	2,928,812
<u>531,403</u>	<u>2,103,274</u>	<u>8,892,523</u>	<u>45,847,451</u>
<u>880,383</u>	<u>875,812</u>	<u>(3,824,254)</u>	<u>(4,806,155)</u>
		5,528,929	13,915,016
<u>(482,426)</u>	<u>(1,005,525)</u>	<u>(5,358,616)</u>	<u>(10,628,535)</u>
<u>(482,426)</u>	<u>(1,005,525)</u>	<u>170,313</u>	<u>3,286,481</u>
397,957	(129,713)	(3,653,941)	(1,519,674)
		7,545,917	
		5,434,768	5,434,768
397,957	(129,713)	9,326,744	3,915,094
<u>10,255,376</u>	<u>4,556,810</u>	<u>(4,982,515)</u>	<u>36,570,562</u>
<u>\$ 10,653,333</u>	<u>\$ 4,427,097</u>	<u>\$ 4,344,229</u>	<u>\$ 40,485,656</u>

CITY OF YUBA CITY
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2012

The schedule below reconciles the net changes in fund balances reported on the governmental funds statement of revenues, expenditures, and changes in fund balances, which measures only changes in current assets and current liabilities on the modified accrual basis, with the change in net assets of governmental activities reported in the statement of activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES \$ 3,915,094

Amounts reported for governmental activities in the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures are, therefore, added back to fund balances	5,505,424
Depreciation expense not reported in governmental funds	(11,439,266)
Capital outlay expenditures reported as salary expenditures in governmental funds	641,428

Gain or loss on disposition of capital assets is not reported in the governmental funds. This is the loss on disposition of capital assets that occurred during the current period	(12,123)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but are deferred and amortized throughout the period during which the related debt is outstanding in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but in the statement of net assets the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balances	2,154,096
Amortization expense of costs of issuance not reported in governmental funds	(52,773)
Amortization of premium and deferred loss on refunding not reported in governmental funds	(13,128)

The amounts below included in the statement of activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenue or expenditures in governmental funds (net change). These are the current fiscal year changes:

Interest payable	12,647
Compensated absences	(269,187)

Certain revenues are offset by deferred revenue in the governmental funds because they are not available to pay for current period expenditures. This amount represents the amount by which prior year deferred revenue exceeded current year.	(794,637)
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The net pension asset pertaining to governmental fund types is not a current financial resource and therefore is not recorded in the governmental fund statements. This amount represents the amount of the change in the net pension asset during the fiscal year	(547,519)
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Other postemployment benefits payable is not a current liability and therefore is not recorded in the governmental fund statements. This amount represents the amount of the change in the payable in the current period.	(110,445)
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Certain revenues and expenses reported in the statement of activities are not current financial resources or do not require the use of current financial resources, and therefore, are not reported as revenues or expenditures in the governmental funds. These amounts represent the amounts that prior fiscal year accounts receivable and accounts payable exceeded current fiscal year.	(103,033)
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Difference in the gain/loss on transfer of assets and liabilities to RDA successor trust funds between the governmental activities (\$32,136,963) and the fund financial statements (\$5,434,768).	26,702,195
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and equipment maintenance and operations, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental activities.	(332,652)
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 25,256,121
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The notes to the financial statements are an integral part of this statement.

CITY OF YUBA CITY
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2012

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Wastewater	Totals	
ASSETS				
Current Assets:				
Cash and investments	\$ 14,733,050	\$ 11,446,591	\$ 26,179,641	\$ 13,376,662
Cash and investments with fiscal agents	1,677,068		1,677,068	
Restricted cash and investments		850,535	850,535	
Accounts receivable - net	977,920	1,112,884	2,090,804	45,437
Taxes and assessments receivable		110,000	110,000	
Inventory				18,322
Prepaid expenses	83,217	272	83,489	868,402
Total Current Assets	17,471,255	13,520,282	30,991,537	14,308,823
Noncurrent Assets:				
Deferred charges, net of accumulated amortization	214,086	222,813	436,899	
Capital Assets:				
Nondepreciable				
Land	974,698	700,000	1,674,698	
Construction in progress	2,337,581	2,475,011	4,812,592	
Total Nondepreciable Capital Assets	3,312,279	3,175,011	6,487,290	
Depreciable				
Buildings	9,124,700	16,142,692	25,267,392	306,372
Improvements	40,956,888	33,128,805	74,085,693	
Infrastructure	101,094,243	41,636,188	142,730,431	
Machinery and equipment	9,788,271	14,373,835	24,162,106	11,237,253
Total Depreciable Capital Assets	160,964,102	105,281,520	266,245,622	11,543,625
Less Accumulated Depreciation	(38,451,453)	(35,547,211)	(73,998,664)	(9,114,308)
Net Depreciable Capital Assets	122,512,649	69,734,309	192,246,958	2,429,317
Net Capital Assets	125,824,928	72,909,320	198,734,248	2,429,317
Total Noncurrent Assets	126,039,014	73,132,133	199,171,147	2,429,317
Total Assets	\$ 143,510,269	\$ 86,652,415	\$ 230,162,684	\$ 16,738,140

(Continued)

The notes to the financial statements are an integral part of this statement.

CITY OF YUBA CITY
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS (Continued)
June 30, 2012

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Wastewater	Totals	
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 377,239	\$ 762,929	\$ 1,140,168	\$ 68,563
Accrued interest payable	80,825	62,373	143,198	
Accrued wages	74,215	101,017	175,232	13,432
Unearned revenue	51,112	113,328	164,440	7,929
Deposits payable		70,255	70,255	
Compensated absences	178,511	175,609	354,120	
Loans payable	965,303		965,303	
Certificates of participation	505,000	642,764	1,147,764	
Total Current Liabilities	2,232,205	1,928,275	4,160,480	89,924
Noncurrent Liabilities:				
Compensated absences	27,850	57,160	85,010	33,904
Loans payable	23,344,078		23,344,078	
Certificates of participation	21,381,556	16,469,474	37,851,030	
Total Noncurrent Liabilities	44,753,484	16,526,634	61,280,118	33,904
Total Liabilities	46,985,689	18,454,909	65,440,598	123,828
NET ASSETS				
Investment in capital assets, net of related debt	79,843,077	56,019,895	135,862,972	2,429,317
Restricted for:				
Debt service	1,596,243		1,596,243	
Unrestricted	15,085,260	12,177,611	27,262,871	14,184,995
Total Net Assets	\$ 96,524,580	\$ 68,197,506	\$ 164,722,086	\$ 16,614,312

The notes to the financial statements are an integral part of this statement.

CITY OF YUBA CITY
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2012

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Water	Wastewater	Totals	
Operating Revenues:				
Sales and charges for services	\$ 9,382,380	\$ 9,388,270	\$ 18,770,650	\$ 6,243,052
Connection fees	150,873	254,632	405,505	
Other revenues	59,640	103,094	162,734	50,959
Total Operating Revenues	<u>9,592,893</u>	<u>9,745,996</u>	<u>19,338,889</u>	<u>6,294,011</u>
Operating Expenses:				
Salaries and benefits	2,022,578	2,718,539	4,741,117	339,773
Professional services	259,805	445,490	705,295	71,661
Supplies	35,229	42,163	77,392	16,672
Benefits, claims, and insurance	33,936	35,129	69,065	5,014,806
Maintenance and operation	513,289	715,922	1,229,211	476,589
Tools and equipment	305,290	1,047,537	1,352,827	100,894
Rents and leases	1,348	2,205	3,553	
Power and utilities	1,025,757	1,091,569	2,117,326	47,652
Training	33,007	37,114	70,121	982
Water purchases	750,441		750,441	
Depreciation	4,501,100	3,068,898	7,569,998	705,214
Total Operating Expenses	<u>9,481,780</u>	<u>9,204,566</u>	<u>18,686,346</u>	<u>6,774,243</u>
Operating Income (Loss)	<u>111,113</u>	<u>541,430</u>	<u>652,543</u>	<u>(480,232)</u>
Non-Operating Revenues (Expenses):				
Interest income	153,013	151,883	304,896	130,046
Interest expense	(1,281,360)	(794,365)	(2,075,725)	
Amortization expense	(22,067)	(52,585)	(74,652)	
Gain (loss) on sale of capital assets				17,534
Intergovernmental revenues	53,842	14,344	68,186	
Total Non-Operating Revenue (Expenses)	<u>(1,096,572)</u>	<u>(680,723)</u>	<u>(1,777,295)</u>	<u>147,580</u>
Income (Loss) Before Transfers	(985,459)	(139,293)	(1,124,752)	(332,652)
Transfers:				
Transfers in		245,000	245,000	
Transfers out	(1,915,657)	(1,615,824)	(3,531,481)	
Change in Net Assets	(2,901,116)	(1,510,117)	(4,411,233)	(332,652)
Net Assets, July 1, 2011	<u>99,425,696</u>	<u>69,707,623</u>	<u>169,133,319</u>	<u>16,946,964</u>
Net Assets, June 30, 2012	<u>\$ 96,524,580</u>	<u>\$ 68,197,506</u>	<u>\$ 164,722,086</u>	<u>\$ 16,614,312</u>

The notes to the financial statements are an integral part of this statement.

CITY OF YUBA CITY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2012

	Business-type Activities			Governmental Activities - Internal Service Funds
	Enterprise Funds			
	Water	Wastewater	Totals	
Cash Flows from Operating Activities:				
Receipts from customers	\$ 9,689,712	\$ 9,672,622	\$ 19,362,334	\$ 6,325,788
Amounts (paid)/from interfund receivable	(1,407,044)		(1,407,044)	1,407,044
Payments to suppliers and users	(3,037,191)	(2,829,763)	(5,866,954)	(4,908,776)
Payments to employees	(2,027,756)	(2,729,997)	(4,757,753)	(413,021)
Net Cash Provided (Used) by Operating Activities	<u>3,217,721</u>	<u>4,112,862</u>	<u>7,330,583</u>	<u>2,411,035</u>
Cash Flows from Non-Capital Financing Activities:				
Intergovernmental revenues	53,842	14,344	68,186	
Transfers in		245,000	245,000	
Transfers out	(1,915,657)	(1,615,824)	(3,531,481)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,861,815)</u>	<u>(1,356,480)</u>	<u>(3,218,295)</u>	
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(1,143,625)	(3,155,799)	(4,299,424)	(342,604)
Proceeds from sale of capital assets				22,259
Proceeds from issuance of debt	14,971,057	9,715,000	24,686,057	
Bond issue costs paid		(409,188)	(409,188)	
Principal paid on debt	(485,000)	(11,107,340)	(11,592,340)	
Interest paid on debt	(1,283,128)	(805,512)	(2,088,640)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>12,059,304</u>	<u>(5,762,839)</u>	<u>6,296,465</u>	<u>(320,345)</u>
Cash Flows from Investing Activities:				
Interest received	153,013	151,883	304,896	130,046
Net Cash Provided by Investing Activities	<u>153,013</u>	<u>151,883</u>	<u>304,896</u>	<u>130,046</u>
Net Increase (Decrease) in Cash and Cash Equivalents	13,568,223	(2,854,574)	10,713,649	2,220,736
Cash and Cash Equivalents, July 1, 2011	<u>2,841,895</u>	<u>15,151,700</u>	<u>17,993,595</u>	<u>11,155,926</u>
Cash and Cash Equivalents, June 30, 2012	<u>\$ 16,410,118</u>	<u>\$ 12,297,126</u>	<u>\$ 28,707,244</u>	<u>\$ 13,376,662</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Assets				
Cash and investments	\$ 14,733,050	\$ 11,446,591	\$ 26,179,641	\$ 13,376,662
Cash and investments with fiscal agents	1,677,068		1,677,068	
Restricted cash and investments		850,535	850,535	
Total Cash and Investments	<u>\$ 16,410,118</u>	<u>\$ 12,297,126</u>	<u>\$ 28,707,244</u>	<u>\$ 13,376,662</u>

(Continued)

The notes to the financial statements are an integral part of this statement.

CITY OF YUBA CITY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2012

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Wastewater	Totals	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 111,113	\$ 541,430	\$ 652,543	\$ (480,232)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	4,501,100	3,068,898	7,569,998	705,214
(Increase) Decrease in Operating Assets:				
Accounts receivable	100,257	(73,385)	26,872	31,677
Inventory				(1,568)
Due from other funds				1,407,044
Prepaid expenses	40,284		40,284	708,146
Increase (Decrease) in Operating Liabilities:				
Accounts payable	(119,373)	587,366	467,993	36,598
Accrued wages	(599)	(7,864)	(8,463)	1,494
Compensated absences	(4,579)	(3,594)	(8,173)	2,562
Due to other funds	(1,407,044)		(1,407,044)	
Unearned revenue	(3,438)	11	(3,427)	100
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 3,217,721</u>	 <u>\$ 4,112,862</u>	 <u>\$ 7,330,583</u>	 <u>\$ 2,411,035</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF YUBA CITY
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2012

	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash and investments	\$ 2,946,812	\$ 5,731,621
Cash and investments with fiscal agent	3,281,029	1,077,985
Due from agency fund		23,470
Interest receivable	11	534
Accounts receivable	32,507	4,460,926
Taxes and assessments receivable	263,217	
Prepaid expenses	272	500
Deposits receivable	9,800	
Deferred charges	466,306	
Notes receivable	3,364,806	
Advances to other trust funds	1,626,817	
Capital assets, net of accumulated depreciation	5,696,416	
	<u>17,687,993</u>	<u>\$ 11,295,036</u>
LIABILITIES		
Due to agency fund		23,470
Accounts payable	6,234	1,894,341
Accrued liabilities		18,437
Interest payable	657,641	
Deposits payable		2,608,856
Advances from other trust funds	1,626,817	
Long-term debt, due within one year	587,539	
Long-term debt, due in more than one year	46,034,804	6,749,932
	<u>48,913,035</u>	<u>\$ 11,295,036</u>
NET ASSETS		
Restricted for Debt Service	2,623,388	
Unrestricted	(33,848,430)	
Total Net Assets (Deficit)	<u>\$ (31,225,042)</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF YUBA CITY
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2012

	Private-Purpose Trust Funds
Additions:	
Investment revenue	\$ 47,632
Taxes and assessments	1,640,806
Net assets received upon dissolution of redevelopment agency	(32,136,963)
Other revenue	171,377
Total additions	(30,277,148)
Deductions:	
Administration	53,232
Community development	475,810
Contributions to other funds for debt service	377,601
Depreciation	41,251
Total deductions	947,894
Change in net assets	(31,225,042)
Net Assets - July 1, 2011	
Net Assets (Deficit) - June 30, 2012	\$ (31,225,042)

The notes to the financial statements are an integral part of this statement.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Yuba City was founded in 1849, and is one of California's oldest cities. Yuba City was formally incorporated January 23, 1908, under the laws and regulations of the State of California. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting methods and procedures adopted by the City conform to accounting principles generally accepted in the United States of America, as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable under the criteria set by Governmental Accounting Standards Board (GASB) Statement No. 14, *the Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*.

The governmental reporting entity consists of the City (Primary Government) and its component units. Component units are legally separate organizations for which the City Council is financially accountable or other organizations whose component units' nature and significant relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the City's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the City.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance, part of the City's operations and, therefore, data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City's Council. The financial statements of the individual component units may be obtained by writing to the City of Yuba City, 1201 Civic Center Blvd., Yuba City, California 95993.

Blended Component Units

Component units that are blended into the reporting activity types of the City's report are presented below:

Yuba City Redevelopment Agency

The California Redevelopment process provided communities at a local level with a comprehensive tool for economic development. These tools are the powers of land assembly and site preparation for private development, the ability to finance necessary public improvements, the authority to impose conditions and restrictions for the quality of developments of an area, and the capability to broaden financing capabilities utilizing a variety of public and private sources. The Yuba City Redevelopment Agency provided services entirely for the benefit of the City of Yuba City. The governing body was substantially the same as the primary government

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Yuba City Redevelopment Agency (Continued)

and the City and the component unit were financially interdependent; hence, the unit was blended with the primary government. The activities of the Yuba City Redevelopment Agency were transferred to the Redevelopment Agency's Successor Agency on February 1, 2012. See Note 12 for more information.

Yuba City Public Finance Authority

The Yuba City Public Finance Authority was formed by a joint exercise of power agreement dated November 5, 1992, between the City of Yuba City and the Yuba City Redevelopment Agency for the purpose of issuing bonds to be used to provide financial assistance to the City and the Agency. The governing body is substantially the same as the primary government and the City and the component unit are financially interdependent; hence, the unit is presented by blending with the primary government. Separate audited financial statements for the Yuba City Public Finance Authority are not issued.

Debt of the Yuba City Public Finance Authority is shown as general obligation long-term debt of the City.

Discretely Presented Component Units

There are no component units of the City which meet the criteria for discrete presentation.

Joint Powers Agencies

The City also has ownership interests in the Northern California Cities Self Insurance Fund (NCCSIF). This entity has not met the criteria stated above, and its financial information is not combined with that of the City, although the City's investment in this entity has been included in the financial statements as prepaid insurance.

B. Basis of Presentation and Accounting and Measurement Focus

The accounts of the City are organized and operated on the basis of funds, each of which is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. These funds are established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Government-wide Financial Statements

The government-wide financial statements include; a statement of net assets and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary Activities of the City are not included in these statements.

The government-wide financial statements are reported using the *economic resources* measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net assets. The statement of activities presents changes in net assets. The types of transactions reported as program revenues for the City are reported in three categories:

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Accounting and Measurement Focus (Continued)

- > Charges for services
- > Operating grants and contributions
- > Capital grants and contributions

There have been certain eliminations as prescribed by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*, in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated. However, transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- > Advances to/from other funds
- > Transfers in/out
- > Due to/ from

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business type activities, unless those pronouncements conflict with or contradict GASB pronouncements; Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure.

Major Funds

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and nonmajor funds aggregated.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Accounting and Measurement Focus (Continued)

The City has presented all major funds that meet the qualifications for major fund reporting.

The following are descriptions of the major governmental funds:

- The **General Fund** is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. The General Fund includes such activities as public safety, parks and recreation, public works and facilities and community development.
- The **HOME Grant Fund** is a special revenue fund used to account for funds related to various HOME housing rehabilitation grant programs.
- The **Streets and Roads Fund** is a special revenue fund used to account for monies to be used on transportation, road, and street programs.
- The **General Capital Improvement Projects Fund** is a capital projects fund used to account for funds budgeted for capital improvements which are funded from general City revenue sources.
- The **Impact Fees CIP Projects Fund** is a capital projects fund used to account for funds budgeted for capital expenditures, which are funded from development impact fees.

All governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both *measurable* and *available* to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due.

Reconciliations of the governmental fund financial statements to the government-wide financial statements are provided to explain the differences created by the integrated approach.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows for each major proprietary fund. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Accounting and Measurement Focus (Continued)

The following are descriptions of the major proprietary funds:

- The **Water Fund** is an enterprise fund used to account for activity related to providing customers with water service and billing for service provided by the City.
- The **Wastewater Fund** is an enterprise fund used to account for activity related to providing customers with wastewater service and billing for service provided by the City.

All proprietary fund types are accounted for on an *economic resources* measurement focus and full accrual basis of accounting. Accordingly, all assets and all liabilities (whether current or noncurrent) associated with their activity are included on the statement of net assets. The statement of revenues, expenses, and changes in net assets presents increases (revenues) and decreases (expenses) in total net assets. Under the full accrual basis of accounting, revenues are recognized in the accounting period in which they are *earned* and expenses are recognized in the accounting period *incurred*.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the funds. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Internal Service Funds

The City also reports the following fund type:

- Internal Service Funds - These funds are used to account for stores, vehicle replacement, insurance, technology replacement, and employee benefit services provided to other departments on a cost reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a statement of net assets and statement of changes in net assets. The City's fiduciary funds are used to account for assets held by the City as trustee for the Redevelopment Agency Successor Agency, and as an agent for employees and various independent entities as well as independent assessment districts, the Net - 5 Operations, and the operations of the Sutter-Butte Flood Control Agency. Trust funds are accounted for on an *economic resources* measurement focus and full accrual basis of accounting. Agency funds are custodial in nature and do not involve measurement of results of operations, however, they do use the full accrual basis of accounting to recognize receivables and payables.

C. Cash and Investments

The City pools cash and investments of all funds, except amounts held by fiscal agents. The City sponsors an investment pool that is managed by the Yuba City City Council (Council). The Council invests on behalf of most funds of the City and external participants in accordance with the California State Government Code and the City's investment policy.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Investments (Continued)

Investments are reported in the accompanying balance sheet at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

Participant's equity in an investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants annually. During the fiscal year ended June 30, 2012, the City had not entered into any legally binding guarantees to support the participant equity in the investment pool.

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB Statement No. 3)*, certain disclosure requirements for deposits and investment risks were made in the following areas: interest rate risk, credit risk, custodial credit risk, and concentrations of credit risk.

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

The City has implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are not readily available.

The City participates in an investment pool Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

For purposes of the accompanying statement of cash flows, the enterprise and internal service funds consider all highly liquid investments with a maturity date of three months or less when purchased, and their equity in the City's investment pool, to be cash equivalents.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The major receivable balances for the governmental activities are taxes, grants, and interest. Business-type activities report user fees and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as taxes and other similar intergovernmental revenues since they are not usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but are not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received.

E. Interfund Transactions

Interfund transactions are reflected as loans, services provided or used, reimbursements, or transfers.

- Loans reported as receivables and payables are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.
- Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each governmental function and, therefore, are not eliminated in the process of preparing the government-wide statement of activities.
- Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are treated as an adjustment to expenditures or expenses; that is, a corresponding increase in expenditures or expenses in the reimbursing fund and a corresponding decrease in expenditures or expenses in the reimbursed fund.
- All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

See Note 6 for details of interfund transactions.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Inventory and Prepaid Items

Inventories are stated at cost (first-in, first-out basis) for proprietary funds. Inventory recorded by proprietary funds includes supplies for internal service funds. Proprietary fund inventories are recorded as expenses at the time the inventory is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/expenditures.

G. Notes Receivable

For the purpose of the fund financial statements, special revenue funds expenditures relating to long-term notes receivable arising from mortgage subsidy programs are charged to operations upon funding and the notes receivable are recorded. The balance of the long-term receivable includes loans that may be forgiven if certain terms and conditions of the loans are met and, therefore, are offset by deferred revenue.

H. Capital Assets

Capital assets, which includes land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. Capital assets are defined by the City as assets with a cost of more than \$5,000 and an estimated useful life of more than two years.

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the governmental-wide or fund financial statements.

Government-wide Financial Statements

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these capital assets. The amount charged to depreciation expense each fiscal year represents that fiscal year's pro rata share of the cost of capital assets.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation of all capital assets is charged as an expense against operations each fiscal year and is reported in the statement of activities. The total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of net assets as a reduction in the value of capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the capital asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

The range of estimated useful lives by type of asset is as follows:

Depreciable Asset	Estimated Life
Equipment	3-25 years
Structures and improvements	5-50 years
Infrastructure	20-75 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

I. Deferred Revenue

Under both the accrual and modified accrual basis of accounting, revenues are recognized only when earned. Thus, the government-wide statement of net assets, governmental funds, and enterprise funds defer revenue recognition for resources that have been received at fiscal year-end, but not yet earned. Assets recognized before the earning process is complete are offset by a corresponding liability as deferred revenue. In addition, loans receivable for which repayments are deferred, or for which the balance may be forgiven if certain terms and conditions of the loans are met, have also been offset by deferred revenue. Under the modified accrual basis of accounting, revenues are recognized when earned and susceptible to accrual. Revenues are considered susceptible to accrual if they are measurable and available to finance expenditures of the current period. Thus, governmental funds also defer revenue recognition for revenues not considered available to liquidate liabilities of the current period.

See Note 4 for details of deferred revenue at fiscal year-end.

J. Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. The long-term debt consists of loans, compensated absences, bonds, and certificates of participation. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount and issuance costs.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-term Debt (Continued)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

K. Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid to employees upon separation from City service. One hundred percent of unused vacation benefits are paid to employees upon termination. For employees hired prior to July 31, 1991, twenty-five percent of unused sick leave benefits vest with employees after five years and fifty percent vest with employees after fifteen years. For employees hired after July 31, 1991, fifteen percent of unused sick leave benefits vest with employees after five years and thirty percent vests with employees after fifteen years. In prior years, the General Fund has been used to liquidate the liability for non-proprietary fund compensated absences.

In the government-wide and proprietary fund financial statements, the accrued compensated absences is reported as an expense and related liability. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. The City includes its share of medicare taxes and workers compensation payable on behalf of the employees in the accrual for compensated absences.

L. Net Assets/Fund Balances

GASB Statement No. 34 adds the concept of net assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net assets are divided into three captions under GASB Statement No. 34. These captions apply only to Net assets as determined at the government-wide level, and are described below:

- *Invested in Capital Assets, net of related debt* describes the portion of net assets, which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.
- *Restricted* describes the portion of net assets, which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include debt service requirements, capital projects, and redevelopment funds restricted to low and moderate income housing purposes.
- *Unrestricted* describes the portion of net assets, which is not restricted as to use.

When both restricted and unrestricted net assets are available, restricted resources are depleted first before the unrestricted resources are used.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Assets/Fund Balances (Continued)

At June 30, 2012, the City had recorded restricted net assets in the governmental activities and business-type activities as follows:

	Governmental Activities	Business-type Activities
Restricted for:		
Community development	\$ 5,608,428	\$ -
Streets and roads	1,799,223	
Landscape districts	694,222	
Lighting districts	401,890	
Mitigation purposes	100,681	
Specific plans	171,461	
Rate stabilization	155	
Energy conservation	59,883	
Capital projects	17,783,399	
Debt service		1,596,243
Total Restricted	\$ 26,619,342	\$ 1,596,243

Included in total restricted net assets at June 30, 2012 are net assets restricted by enabling legislation of \$1,096,112.

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Assets/Fund Balances (Continued)

Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Finance Director.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The constraints placed on fund balance for the major governmental funds and all other governmental funds at June 30, 2012 are as follows:

Fund Balances	General Fund	HOME Grant Special Revenue Fund	Streets and Roads Special Revenue Fund	General CIP Capital Projects Fund	Impact Fees CIP Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:							
Advances	\$ 11,009,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,009,010
Prepays	27,321						27,321
<i>Total Nonspendable</i>	<u>11,036,331</u>						<u>11,036,331</u>
Restricted for:							
HOME Program		5,474					5,474
Streets and Roads			1,799,223				1,799,223
Landscaping						694,222	694,222
Lighting						401,890	401,890
Mitigation Fees						100,681	100,681
Specific Plans						171,461	171,461
Rate Stabilization						155	155
Energy Conservation						59,883	59,883
Debt Service						866,560	866,560
Capital Projects				798,040	4,427,097		5,225,137
<i>Total Restricted</i>		<u>5,474</u>	<u>1,799,223</u>	<u>798,040</u>	<u>4,427,097</u>	<u>2,294,852</u>	<u>9,324,686</u>
Committed for:							
Economic Stabilization	4,252,629						4,252,629
Traffic Safety						148,412	148,412
Law Enforcement						85,455	85,455
Debt Service						1,251,362	1,251,362
Capital Projects				9,855,293		827,305	10,682,598
<i>Total Committed</i>	<u>4,252,629</u>			<u>9,855,293</u>		<u>2,312,534</u>	<u>16,420,456</u>
Unassigned	3,967,340					(263,157)	3,704,183
<i>Total Fund Balances</i>	<u>\$ 19,256,300</u>	<u>\$ 5,474</u>	<u>\$ 1,799,223</u>	<u>\$ 10,653,333</u>	<u>\$ 4,427,097</u>	<u>\$ 4,344,229</u>	<u>\$ 40,485,656</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Assets/Fund Balances (Continued)

The following are encumbrance amounts included in the restricted, committed, and assigned fund balances above:

	General Fund	HOME Grant Special Revenue Fund	Streets and Roads Special Revenue Fund	General CIP Capital Projects Fund	Impact Fees CIP Capital Projects Fund	Nonmajor Governmental Funds	Total
Encumbrances	\$ 237,990	\$ 5,474	\$ -	\$ 107,655	\$ 202,642	\$ 584,294	\$ 1,138,055

Stabilization Agreements/Rainy Day Fund/Budget Reserves

The City, has established by resolution a reserve for budget stabilization within the General Fund. As of June 30, 2012 the balance in the Economic Stabilization Reserve Fund was \$4,252,629 and is reported within the committed fund balance classification in the general fund. The City also has a 10% reserve fund set by the City’s budget policy, which is equal to 10% of the following fiscal year’s appropriations. This balance is reported within the unassigned fund balance classification in the general fund.

M. Property Tax Levy, Collections, and Maximum Rates

The State of California’s (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value, as defined by Article XIII A, and may be adjusted by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy amount to counties, cities, school districts, and other districts.

Tax Levy Dates

All lien dates attach annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and secured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections

The Sutter County Tax Collector is responsible for all property tax collections. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first installment is due on November 1 of the fiscal year and is delinquent if not paid by December 10, the second installment is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County of Sutter (County) for late payments.

The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan”, as described by Section 4717 of the California Revenue and Taxation code. Therefore, the City receives 100 percent of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Grant Revenues

Certain grant revenues are recognized when specific related expenditures have been incurred. In other grant programs, monies are virtually unrestricted as to purpose of expenditure and are only revocable for failure to comply with prescribed compliance requirements. These revenues are recognized at the time of receipt, or earlier if susceptible to accrual criteria are met. Cash received prior to incurrence of the related expenditure is recorded as deferred revenue.

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. New Accounting Pronouncements

The City has implemented the requirements of Governmental Accounting Standards Board (GASB) Statement No. 64 during the fiscal year ended June 30, 2012.

Governmental Accounting Standards Board Statement No. 64

For the fiscal year ended June 30, 2012, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions." This statement is effective for periods beginning after June 15, 2011. The objective of this statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. Implementation of the GASB Statement No. 64, did not have an impact on the City's financial statements for the fiscal year ended June 30, 2012.

Q. Rebatable Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. GANN Spending Limitation

Under Article XIII B of the California Constitution (the GANN Spending Limitation), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the California State Controller or returned to the taxpayers through revised tax rates, revised fee schedules, or other refund arrangements.

NOTE 2 - CASH AND INVESTMENTS

The City maintains a cash and investment pool for all funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements, are not pooled.

Statement of Net Assets:	
Cash and investments	\$ 77,657,708
Cash and investments with fiscal agents	3,700,977
Restricted cash and investments	850,535
Statement of Fiduciary Net Assets:	
Cash and investments	8,678,433
Cash and investments with fiscal agents	<u>4,359,014</u>
Total	<u><u>\$ 95,246,667</u></u>

Certain restricted cash and investments are held in separate cash accounts and with fiscal agents for the redemption of debt and for acquisition and construction of capital assets.

Cash and investments as of June 30, 2012 consist of the following:

Cash on hand	\$ 5,530
Deposits with financial institutions	3,317,587
Investments	<u>91,923,550</u>
Total	<u><u>\$ 95,246,667</u></u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	\$50 million
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues State of California and Local Agency Obligations	5 years	20%	None
Yuba City and Yuba City RDA Obligations	5 years	None	15%
Special Assessment District Obligations	None	None	15%
Bankers Acceptance (must be dollar denominated)	30 years	None	15%
Commercial Paper	180 days	40%	30%
Negotiable Certificates of Deposit	270 days	10%	25%
Non-Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	5 years	None	None
Medium Term Notes	5 years	None	None
Asset Backed Obligations	5 years	30%	10%
Money Market Funds	5 years	20%	None
Corporate Bonds	N/A	20%	None
	5 years	30%	10%

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (State Pool)	N/A	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Issues State of California and Local Agency Obligations	5 years	None	15%
Special Assessment District Obligations	30 years	None	15%
Bankers Acceptance (must be dollar denominated)	180 days	40%	30%
Commercial Paper	270 days	10%	25%
Negotiable Certificates of Deposit	5 years	30%	None
Non-Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	5 years	None	None
Medium Term Notes	5 years	30%	10%
Asset Backed Obligations	5 years	20%	None
Money Market Funds	N/A	20%	None
Investment Agreements	7 years	None	None
Forward Delivery Agreements	None	None	None
California Asset Management Program	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments held by bond trustees to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 2 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Investment Type	Totals	Remaining Maturity (in Months)						Weighted Average Maturity (Years)
		12 Months Or Less	13 to 24 Months	25-36 Months	37-48 Months	49-60 Months	More Than 60 Months	
State investment pool	\$ 26,235,389	\$ 26,235,389	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
California Asset Management Program (CAMP)	102,312	102,312						N/A
Money market funds	11,741,746	11,741,746						N/A
Special assessment district bonds	289,179	22,502	16,106	17,105	18,165	19,292	196,009	13.95
Certificates of deposit	1,150,960	575,960	575,000					1.14
Local agency obligations	1,132,944						1,132,944	20.17
U.S. treasury obligations	10,398,801	2,679,414	1,581,212	2,938,000	1,661,581	1,538,594		2.31
U.S. government agency issues	23,207,728	2,257,843	5,499,604	9,094,425	2,818,018	3,537,838		2.41
Corporate bonds	9,604,503	3,015,684	3,369,957	1,473,805	1,543,665	201,392		1.74
Held by bond trustees:								
Money market funds	3,014,057	3,014,057						N/A
State investment pool (LAIF)	1,392,268	1,392,268						N/A
U.S. government agency issues	3,653,663	3,653,663						0.22
	<u>\$ 91,923,550</u>	<u>\$ 54,690,838</u>	<u>\$ 11,041,879</u>	<u>\$ 13,523,335</u>	<u>\$ 6,041,429</u>	<u>\$ 5,297,116</u>	<u>\$ 1,328,953</u>	<u>1.86</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End			
				AAA	AA	A	Not Rated
State investment pool	\$ 26,235,389	N/A	\$ -	\$ -	\$ -	\$ -	\$ 26,235,389
California Asset Management Program (CAMP)	102,312	N/A					102,312
Money market funds	11,741,746	N/A		11,741,746			
Special assessment district bonds	289,179	N/A					289,179
Certificates of deposit	1,150,960	N/A					1,150,960
Local agency obligations	1,132,944	N/A					1,132,944
U.S. treasury obligations	10,398,801	N/A	10,398,801				
U.S. government agency issues	23,207,728	N/A		23,207,728			
Corporate bonds	9,604,503	N/A		2,745,609	4,707,707	2,151,187	
Held by bond trustees:							
Money market funds	3,014,057	N/A		3,014,057			
State investment pool (LAIF)	1,392,268	N/A					1,392,268
U.S. government agency issues	3,653,663	N/A		3,653,663			
Total	<u>\$ 91,923,550</u>		<u>\$ 10,398,801</u>	<u>\$ 44,362,803</u>	<u>\$ 4,707,707</u>	<u>\$ 2,151,187</u>	<u>\$ 30,303,052</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 2 - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are two investments that represent more than 5% of total City investments other than U.S. Government securities, external investment pools, and money market funds (Federal National Mortgage - \$10,122,956 and Federal Home Loan Mortgage Corporation - \$9,928,451. Due to the City's pooling of its cash and investments, it is indeterminable of the amounts of concentration included in individual opinion units.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2012, \$4,827,856 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The LAIF fair value factor of 1.001219643 was used to calculate the fair value of the investments in LAIF.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 3 - CAPITAL ASSETS

At June 30, 2012, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Nondepreciable Assets:			
Land	\$ 125,346,238	\$ 1,674,698	\$ 127,020,936
Construction in progress	5,744,710	4,812,592	10,557,302
Total nondepreciable assets	131,090,948	6,487,290	137,578,238
Depreciable Assets:			
Buildings	38,102,865	25,267,392	63,370,257
Improvements	9,174,498	74,085,693	83,260,191
Machinery and equipment	17,873,426	24,162,106	42,035,532
Infrastructure	352,560,173	142,730,431	495,290,604
Total depreciable assets	417,710,962	266,245,622	683,956,584
Less accumulated depreciation	(114,820,040)	(73,998,664)	(188,818,704)
Total depreciable assets, net	302,890,922	192,246,958	495,137,880
Total capital assets, net	\$ 433,981,870	\$ 198,734,248	\$ 632,716,118

The following is a summary of capital asset activity for governmental activities for the fiscal year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Governmental Activities					
Nondepreciable capital assets:					
Land	\$ 129,213,835	\$ 40,116	\$ -	\$ (3,907,713)	\$ 125,346,238
Construction in progress	4,425,628	5,810,639		(4,491,557)	5,744,710
Total nondepreciable capital assets	133,639,463	5,850,755		(8,399,270)	131,090,948
Depreciable capital assets:					
Buildings	39,658,500			(1,555,635)	38,102,865
Improvements	7,342,649	19,205		1,812,644	9,174,498
Machinery and equipment	18,050,331	619,496	(796,401)		17,873,426
Infrastructure	350,403,207			2,156,966	352,560,173
Total depreciable capital assets	415,454,687	638,701	(796,401)	2,413,975	417,710,962
Accumulated depreciation:					
Buildings	(9,424,025)	(1,629,680)		247,628	(10,806,077)
Improvements	(3,230,062)	(368,274)			(3,598,336)
Machinery and equipment	(12,281,791)	(1,269,261)	779,553		(12,771,499)
Infrastructure	(78,766,863)	(8,877,265)			(87,644,128)
Total accumulated depreciation	(103,702,741)	(12,144,480)	779,553	247,628	(114,820,040)
Net depreciable capital assets	311,751,946	(11,505,779)	(16,848)	2,661,603	302,890,922
Net capital assets	\$ 445,391,409	\$ (5,655,024)	\$ (16,848)	\$ (5,737,667)	\$ 433,981,870

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 3 - CAPITAL ASSETS (Continued)

Depreciation Allocation

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Governmental Activities:

General government	\$ 434,874
Public safety	1,042,203
Public works	10,319,436
Parks and recreation	334,638
Community development	<u>13,329</u>
Total Governmental Funds	<u>\$ 12,144,480</u>

Depreciation on capital assets held by the City's internal service funds of \$705,214 are charged to the various functions based on their usage of the assets and is included above.

The following is a summary of capital asset activity for business-type activities for the fiscal year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Business-type Activities					
<u>Water</u>					
Nondepreciable capital assets:					
Land	\$ 974,698	\$ -	\$ -	\$ -	\$ 974,698
Construction in progress	7,402,253	1,118,065		(6,182,737)	2,337,581
Total nondepreciable capital assets	<u>8,376,951</u>	<u>1,118,065</u>		<u>(6,182,737)</u>	<u>3,312,279</u>
Depreciable capital assets:					
Buildings	9,131,032			(6,332)	9,124,700
Improvements	40,950,556			6,332	40,956,888
Machinery and equipment	9,762,711	25,560			9,788,271
Infrastructure	94,911,506			6,182,737	101,094,243
Total depreciable capital assets	<u>154,755,805</u>	<u>25,560</u>		<u>6,182,737</u>	<u>160,964,102</u>
Accumulated depreciation:					
Buildings	(4,495,052)	(364,666)			(4,859,718)
Improvements	(15,175,222)	(1,475,856)			(16,651,078)
Machinery and equipment	(3,192,418)	(505,320)			(3,697,738)
Infrastructure	(11,087,661)	(2,155,258)			(13,242,919)
Total accumulated depreciation	<u>(33,950,353)</u>	<u>(4,501,100)</u>			<u>(38,451,453)</u>
Net depreciable capital assets	<u>120,805,452</u>	<u>(4,475,540)</u>		<u>6,182,737</u>	<u>122,512,649</u>
Net capital assets	<u>\$ 129,182,403</u>	<u>\$ (3,357,475)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,824,928</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 3 - CAPITAL ASSETS (Continued)

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Business-type Activities					
Wastewater					
Nondepreciable capital assets:					
Land	\$ 700,000	\$ -	\$ -	\$ -	\$ 700,000
Construction in progress	409,907	3,135,478		(1,070,374)	2,475,011
Total nondepreciable capital assets	<u>1,109,907</u>	<u>3,135,478</u>		<u>(1,070,374)</u>	<u>3,175,011</u>
Depreciable capital assets:					
Buildings	16,142,692				16,142,692
Improvements	32,853,574			275,231	33,128,805
Machinery and equipment	14,390,746	20,321	(37,232)		14,373,835
Infrastructure	40,841,045			795,143	41,636,188
Total depreciable capital assets	<u>104,228,057</u>	<u>20,321</u>	<u>(37,232)</u>	<u>1,070,374</u>	<u>105,281,520</u>
Accumulated depreciation:					
Buildings	(7,300,643)	(430,145)			(7,730,788)
Improvements	(15,311,659)	(1,045,960)			(16,357,619)
Machinery and equipment	(6,085,140)	(880,994)	37,232		(6,928,902)
Infrastructure	(3,818,103)	(711,799)			(4,529,902)
Total accumulated depreciation	<u>(32,515,545)</u>	<u>(3,068,898)</u>	<u>37,232</u>		<u>(35,547,211)</u>
Net depreciable capital assets	<u>71,712,512</u>	<u>(3,048,577)</u>		<u>1,070,374</u>	<u>69,734,309</u>
Net capital assets	<u>\$ 72,822,419</u>	<u>\$ 86,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,909,320</u>

Depreciation Allocation

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

Business-Type Activities:

Water	\$ 4,501,100
Wastewater	<u>3,068,898</u>

Total Depreciation Expense-Business-type Activities \$ 7,569,998

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 4 – UNEARNED AND DEFERRED REVENUE

At June 30, 2012, components of unearned revenue reported were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Business license and miscellaneous revenue received but not earned	\$ 343,416	\$ -
Senior fund raising revenue received but not earned	56,287	
Impact fees collected but not earned	11,140,892	
Franchise fees received but not earned	91,654	
Employee benefit contributions received but not earned	7,929	
Water revenues collected but not earned		51,112
Wastewater revenues collected but not earned		113,328
	<u> </u>	<u> </u>
Total unearned revenue	<u>\$ 11,640,178</u>	<u>\$ 164,440</u>

At June 30, 2012, components of deferred revenue reported were as follows:

General fund:	
Sales tax revenue accrued but not available	\$ 712,357
Business license and miscellaneous revenue received but not earned	343,416
Senior fund raising revenue received but not earned	56,287
Accounts receivable accrued but not available	231,846
HOME Grant Special Revenue Fund:	
Notes receivable (balance may be forgiven)	5,677,954
Streets and Roads Special Revenue Fund:	
Accounts receivable accrued but not available	78,131
General CIP Capital Projects Fund:	
Notes receivable	200,547
Accounts receivable accrued but not available	22,756
Impact Fees CIP Capital Projects Fund:	
Notes receivable	1,315,810
Impact fees collected but not earned	11,140,892
Accounts receivable accrued but not available	101,560
Recology Rate Stabilization Special Revenue Fund:	
Franchise fees received but not yet earned	91,654
Accounts receivable accrued but not available	18,331
CDBG Program Income Special Revenue Fund:	
Notes receivable (balance may be forgiven)	1,590,847
CAL-HOME Grant Special Revenue Fund:	
Notes receivable (balance may be forgiven)	330,279
Water Fund:	
Water revenues collected but not earned	51,112
Wastewater Fund:	
Wastewater revenues collected but not earned	113,328
Employee Benefits Fund:	
Employee benefit contributions received but not earned	7,929

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 5 - LONG-TERM DEBT

The following is a summary of long-term debt activity of the City for the fiscal year ended June 30, 2012:

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012	Due within one year
Governmental Activities						
Tax Allocation Revenue Bonds	\$ 34,775,000	\$ -	\$ (445,000)	\$ (34,330,000)	\$ -	\$ -
Less Deferred Amounts:						
Refunding Difference	(567,831)		20,280	547,551		
Costs of Issuance	(482,959)		16,653	466,306		
Plus: Bond Premium	207,442		(7,152)	(200,290)		
Bonds, net	33,931,652		(415,219)	(33,516,433)		
Certificates of Participation	11,500,000		(270,000)		11,230,000	285,000
Pension Obligation Bonds	5,485,000		(715,000)		4,770,000	790,000
Other post-employment benefits	548,472	169,000	(58,555)		658,917	
Street Light Lease Payable	302,717		(117,644)		185,073	122,205
Fire Station #4 Lease Payable	4,391,522		(557,228)		3,834,294	579,115
Compensated Absences	3,338,627	2,293,560	(2,021,811)		3,610,376	19,318
Loans Payable	1,679,818		(49,224)	(1,630,594)		
Total - Governmental Activities	\$ 61,177,808	\$ 2,462,560	\$ (4,204,681)	\$ (35,147,027)	\$ 24,288,660	\$ 1,795,638
Business-type Activities						
Certificates of Participation	\$ 41,783,778	\$ -	\$ (11,302,340)	\$ -	\$ 30,481,438	\$ 992,764
Revenue Refunding Bonds		9,715,000	(290,000)		9,425,000	155,000
Less Deferred Amounts:						
Refunding Difference	(313,001)	(162,526)	30,617		(444,910)	
Bond Discount	(426,667)	(57,736)	21,669		(462,734)	
Bonds, net	41,044,110	9,494,738	(11,540,054)		38,998,794	1,147,764
Loans Payable	9,338,324	14,971,057			24,309,381	965,303
Compensated Absences	447,303	352,085	(360,258)		439,130	354,120
Total Business-type Activities	\$ 50,829,737	\$ 24,817,880	\$ (11,900,312)	\$ -	\$ 63,747,305	\$ 2,467,187

Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability occurred, which is usually the General fund. Other post-employment benefits are generally liquidated by the fund in which the retiree was originally charged to, which is usually the General fund, but could also be Water or Wastewater funds.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 5 - LONG-TERM DEBT (Continued)

Certificates of Participation – Gauche Park/Aquatic Facility - 2006

On August 22, 2006, the City issued \$12,500,000 of Certificates of Participation bearing interest between 3.50% and 4.5% and payable semi-annually on December 1 and June 1, maturing on June 1, 2036. These certificates were used to finance the construction of the Gauche Aquatic Park. The outstanding principal balance of the 2006 Gauche Park/Aquatic Facility Certificates of Participation at June 30, 2012 was \$11,230,000.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 285,000	\$ 484,141	\$ 769,141
2014	295,000	473,596	768,596
2015	305,000	462,534	767,534
2016	315,000	450,944	765,944
2017	330,000	438,816	768,816
2018-2022	1,850,000	2,057,123	3,907,123
2023-2027	2,275,000	1,557,997	3,832,997
2028-2032	2,825,000	1,008,550	3,833,550
2033-2036	2,750,000	316,125	3,066,125
Totals	<u>\$ 11,230,000</u>	<u>\$ 7,249,826</u>	<u>\$ 18,479,826</u>

Pension Obligation Bonds – Series 2007

On April 17, 2007, the City issued \$7,685,000 of Pension Obligation Bonds bearing interest between 5.21% and 5.37% and payable annually on June 1, maturing on June 1, 2017. These bonds were used to advance pay safety employee pension obligations. The outstanding principal balance of the 2007 Series bonds at June 30, 2012 was \$4,770,000.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 790,000	\$ 251,353	\$ 1,041,353
2014	865,000	210,590	1,075,590
2015	950,000	165,696	1,115,696
2016	1,035,000	115,536	1,150,536
2017	1,130,000	60,681	1,190,681
Totals	<u>\$ 4,770,000</u>	<u>\$ 803,856</u>	<u>\$ 5,573,856</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 5 - LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Capital Leases

The City has entered into a lease agreement with Pacific Gas & Electric Co. to acquire street lights. This equipment will become the property of the City when all terms of the lease agreement are met.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Total
2013	\$ 128,149
2014	64,074
Total requirements	192,223
Less: interest	(7,150)
Present value of remaining payments	\$ 185,073

The City has entered into a lease agreement to provide funds for the construction of Fire Station #4 and the police department expansion. The building of Fire Station #4 will become the property of the City when all terms of the lease agreement are met. The fire department and police department are providing the debt service for this lease at 83.8% and 16.2% respectively.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Total
2013	\$ 722,691
2014	722,691
2015	722,691
2016	722,691
2017	722,691
2018	722,693
Total requirements	4,336,148
Less: interest	(501,854)
Present value of remaining payments	\$ 3,834,294

Business-type Activities

Wastewater Revenue Refunding Bonds - 2011

On November 1, 2011, the City issued \$9,715,000 of Wastewater Revenue Refunding Bonds bearing interest of 4.350% and payable semi-annually on December 1 and June 1, maturing on June 1, 2032.

The proceeds of the Bonds will be used to (i) prepay the 2002 Wastewater Revenue Certificates of Participation (COP); (ii) pay the premium for bond insurance and a reserve fund surety bond for the Bonds; and (iii) pay the costs of issuing the Bonds. The outstanding principal balance of the 2011 Wastewater Certificates of Participation at June 30, 2012 was \$9,425,000.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Wastewater Revenue Refunding Bonds – 2011 (Continued)

\$10,602,376 from the 2011 Wastewater Revenue Refunding Bonds (including \$1,007,355 of the reserve fund from the 2002 Wastewater Revenue COP) was placed in an irrevocable trust that is to be used to service the future debt requirements of the 2002 Wastewater Revenue Certificates of Participation. The refunding resulted in an economic gain (difference between the present value of the debt service payments on the old and new debts) of \$634,485.

The City defeased the 2002 Wastewater Revenue COP by placing the proceeds of the 2011 Wastewater Revenue Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the 2002 Wastewater Revenue COP. Accordingly, the trust account assets and the liability for the defeased COP is not included in the City's financial statements.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 155,000	\$ 361,984	\$ 516,984
2014	150,000	360,666	510,666
2015	155,000	357,716	512,716
2016	150,000	356,004	506,004
2017	150,000	352,854	502,854
2018-2022	810,000	1,700,835	2,510,835
2023-2027	2,435,000	1,528,604	3,963,604
2028-2032	5,420,000	715,125	6,135,125
Totals	<u>\$ 9,425,000</u>	<u>\$ 5,733,788</u>	<u>\$ 15,158,788</u>

Certificates of Participation – Water Revenue - 2005

On October 1, 2005, the City issued \$25,625,000 of Certificates of Participation bearing interest between 3.375% and 4.75% and payable semi-annually on December 1 and June 1, maturing on June 1, 2035. These Certificates were used for capital improvement projects and expansion of existing facilities. The outstanding principal balance of the 2005 Water Certificates of Participation at June 30, 2012 was \$22,180,000.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Certificates of Participation – Water Revenue – 2005 (Continued)

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 505,000	\$ 960,027	\$ 1,465,027
2014	520,000	942,983	1,462,983
2015	535,000	924,783	1,459,783
2016	555,000	905,390	1,460,390
2017	575,000	884,577	1,459,577
2018-2022	3,205,000	4,058,613	7,263,613
2023-2027	4,290,000	3,316,443	7,606,443
2028-2032	6,995,000	2,097,000	9,092,000
2033-2035	5,000,000	456,525	5,456,525
Totals	<u>\$ 22,180,000</u>	<u>\$ 14,546,341</u>	<u>\$ 36,726,341</u>

Certificates of Participation – Wastewater Revenue - 2007

On May 23, 2007, the City issued \$10,440,769 of Certificates of Participation bearing interest of 4.370% and payable semi-annually on December 1 and June 1, maturing on June 1, 2025. These Certificates were used to advance refund the 2000 Wastewater Certificates which had been used for capital improvement projects and expansion of existing facilities. The outstanding principal balance of the 2007 Wastewater Certificates of Participation at June 30, 2012 was \$8,301,438.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 487,764	\$ 362,773	\$ 850,537
2014	509,079	341,457	850,536
2015	531,325	319,211	850,536
2016	554,543	295,992	850,535
2017	578,777	271,758	850,535
2018-2022	3,296,116	956,559	4,252,675
2023-2025	2,343,834	207,772	2,551,606
Totals	<u>\$ 8,301,438</u>	<u>\$ 2,755,522</u>	<u>\$ 11,056,960</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 5 - LONG-TERM DEBT (Continued)

Business-type Activities (Continued)

Loans Payable

The City has entered into two funding agreements with the State of California Department of Public Health for a construction loan under the Safe Drinking Water State Revolving Fund Law of 1997, in the amounts of \$19,133,209 (Region 2/3) and \$6,817,375 (Region 1). The loans are payable in semi-annual installments of \$1,148,796 and \$378,512, respectively and have annual interest rates of 2.2836% and 2.5017%. Both loans have maturities of June 1, 2032.

The loans are being used to finance project costs to meet safe drinking water standards. The total amounts of the loans issued to the City were \$18,381,507 (Region 2/3) and \$5,927,874 (Region 1).

The outstanding principal balance of the Safe Drinking Water State Revolving Fund – Region 2/3 loan at June 30, 2012 was \$18,381,507.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 733,649	\$ 415,147	\$ 1,148,796
2014	750,498	398,298	1,148,796
2015	767,734	381,062	1,148,796
2016	785,366	363,430	1,148,796
2017	803,403	345,393	1,148,796
2018-2022	4,302,406	1,441,574	5,743,980
2023-2027	4,819,680	924,300	5,743,980
2028-2032	5,418,771	344,832	5,763,603
Totals	<u>\$ 18,381,507</u>	<u>\$ 4,614,036</u>	<u>\$ 22,995,543</u>

The outstanding principal balance of the Safe Drinking Water State Revolving Fund – Region 1 loan at June 30, 2012 was \$5,927,874.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 231,654	\$ 146,858	\$ 378,512
2014	237,486	141,026	378,512
2015	243,464	135,048	378,512
2016	249,593	128,919	378,512
2017	255,876	122,636	378,512
2018-2022	1,379,306	513,255	1,892,561
2023-2027	1,561,878	330,682	1,892,560
2028-2032	1,768,617	123,943	1,892,560
Totals	<u>\$ 5,927,874</u>	<u>\$ 1,642,367</u>	<u>\$ 7,570,241</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 5 - LONG-TERM DEBT (Continued)

Non-City Obligations

The City reports the debt service transactions of various special assessment issues for which the City is not obligated in any manner, in Agency funds. The debt will be paid from and secured solely by the revenues of these special assessment districts and does not constitute an indebtedness of the City. At June 30, 2012, the principal amount of special assessment debt outstanding for which the City is not obligated was \$7,267,329.

NOTE 6 - INTERFUND TRANSACTIONS

A. Long-Term Advances

Advances to/from other funds are non-current interfund loans and are offset by nonspendable fund balance account classifications in the applicable governmental funds to indicate that they are not available for appropriations and are not expendable available financial resources.

At June 30, 2012, the City had the following long-term advances:

Receivable Fund	Payable Fund	Amount
Major Governmental Fund: General Fund	Trust Fund: Redevelopment Agency Successor Agency Fund	\$ 11,009,010
Trust Fund: Redevelopment Agency Low/Mod Successor Agency Fund	Trust Fund: Redevelopment Agency Successor Agency Fund	1,626,817

B. Due To/From Other Funds

Receivables and payables between funds are classified as due from or due to other funds. Due from and due to other funds are usually a result of a shortfall of pooled cash.

Due to/from other funds as of June 30, 2012 were as follows:

Receivable Fund	Payable Fund	Amount
Major Governmental Funds: General Fund	Nonmajor Governmental Funds: CDBG Grant Special Revenue Fund CDBG Program Income Special Revenue Fund CAL-HOME Grant Special Revenue Fund Neighborhood Stabilization Program Grant Special Revenue Fund	\$ 97,158 26,243 146,444 5,419
General CIP Capital Projects Fund	Major Governmental Fund: Impact Fees CIP Capital Projects Fund	87,690
	Totals	\$ 362,954

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 6 - INTERFUND TRANSACTIONS (Continued)

C. Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, reimbursement of various City operations and re-allocations of special revenues.

Transfers for the fiscal year ended June 30, 2012 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major Governmental Funds:</u>		
General Fund	\$ 6,356,565	\$ -
HOME Grant Special Revenue Fund		7,742
Streets and Roads Special Revenue Fund	2,029,522	3,774,226
General CIP Capital Projects Fund		482,426
Impact Fees CIP Capital Projects Fund		1,005,525
<u>Major Enterprise Funds:</u>		
Water Fund		1,915,657
Wastewater Fund	245,000	1,615,824
<u>Nonmajor Governmental Funds:</u>		
Traffic Safety Special Revenue Fund		100,000
Low and Moderate Set Aside Special Revenue Fund	5,228	190,483
Law Enforcement Services Special Revenue Fund		100,000
Landscape Districts Special Revenue Fund		157,634
Redevelopment Agency Special Revenue Fund		2,292,270
CDBG Grant Special Revenue Fund		125,691
Miscellaneous Lighting Districts Special Revenue Fund		63,926
Siller Ranch MP Special Revenue Fund		493
Neighborhood Stabilization Program Grant Special Revenue Fund		8,619
Gauche Park COP Debt Service Fund	519,934	
CIEDB Loan Debt Service Fund	54,230	
Yuba City RDA 2004 Series A Debt Service Fund	1,093,344	
Yuba City RDA Low/Mod Series B Debt Service Fund	185,484	
Yuba City RDA 2007 Series Debt Service Fund	962,995	
Fire Station #4 Lease Debt Service Fund	722,691	
Streets & Roads CIP Capital Projects Fund	1,985,023	2,252,534
Yuba City RDA CIP Project Capital Projects Fund		66,966
Totals	\$ 14,160,016	\$ 14,160,016

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 7 - EMPLOYEE RETIREMENT PLANS

Plan Description

The City's defined benefit pension plan, Public Employees' Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees' Retirement System, (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes with the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

Funding Policy

The City contributes the employer's share for the Miscellaneous Plan and the Safety Plan. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2011-12 was 21.586% for miscellaneous employees and 28.455% and 27.434% for safety employees (two-tiered). The contribution requirements of the plan members are established by the State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2011-2012, the City's contributions to CalPERS for the miscellaneous plan of \$2,008,234, and \$2,649,878 for the safety plan were equal to 100% of the required contributions. The required contributions were determined as part of the June 30, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, (c) .25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of PERS was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2012 was 17 years for safety and 20 years for miscellaneous.

Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the miscellaneous plan and safety plans were 80.2% and 88.3% funded, respectively. The actuarial accrued liability for benefits was \$86,818,020 and the actuarial value of assets was \$69,596,618 for the miscellaneous plan, resulting in an unfunded actuarial accrued liability of \$17,221,402. The covered payroll was \$10,059,864, which results in a ratio of the unfunded actuarial accrued liability to the covered payroll of 171.2%. The safety plans are in a CalPERS risk pool, and therefore, are not required to be reported here.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 7 - EMPLOYEE RETIREMENT PLANS (Continued)

The schedules of funding progress, presented as Required Supplementary Information (RSI) following the notes to the basic financial statements present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost</u>	<u>Percentage of Annual Pension Cost Contribution</u>	<u>Net Pension Obligation (Asset)</u>
Miscellaneous			
6/30/2010	\$ 1,978,403	100%	\$ -
6/30/2011	1,821,718	100%	-
6/30/2012	2,008,234	100%	-
Safety			
6/30/2010	\$ 2,154,814	100%	\$ -
6/30/2011	2,268,874	100%	-
6/30/2012	2,649,878	100%	-

On April 17, 2007, the City issued \$7,685,000 of Pension Obligation Bonds. These bonds were used to advance pay safety employee pension obligations of \$7,498,612, which was paid to CalPERS on April 17, 2007. As of June 30, 2012, the net pension asset was \$4,676,807.

PARS

Part-time employees who work under 1,000 hours per year do not participate in the Public Employees Retirement System; however, they are covered through the City's participation in Public Alternative Retirement System (PARS).

457 Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all permanent City employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Pursuant to changes in August, 1996, of IRC Section 457, in January, 1997, the City formally established a trust in which all assets and income of the 457 plan were placed. The asset, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are no longer the property of the City, and as such are no longer subject to the claims of the City's general creditors. As a result, the assets of the 457 plan are not reflected in the City's financial statements.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City assumed certain post employment benefits payable when assuming the Walton Fire Protection District. These liabilities include a salary severance and health package for one former employee and funding for additional PERS benefits for a second employee. The City also provided health benefits for one retired City employee. In addition, Executive Service Employees/City Manager who retire from the City in good standing; have at least five years of City of Yuba City service; and are of full retirement age (55 for miscellaneous and 50 for public safety) are entitled to have 80% of the lowest cost City medical plan paid by the City until such time as the employee is eligible to receive Medicare or turns 65 years old.

Funding Policy

The City's adopted policy is to contribute an amount sufficient to pay the current fiscal year's premium. For fiscal year 2011-2012, the City contributed \$58,555 which consisted of current premiums, but did not include any additional prefunding of benefits.

Annual OPEB and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and an amount actuarially determined in accordance with the parameters of GASB Statement No.45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years, on a closed basis. The following table shows the components of the City's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$	187,000
Interest on net OPEB obligation		25,000
Net OPEB obligation adjustment		<u>(43,000)</u>
Annual OPEB cost (expense)		169,000
Contributions made		<u>(58,555)</u>
Increase in net OPEB obligation		110,445
Net OPEB obligation - beginning of fiscal year		<u>548,472</u>
Net OPEB obligation - end of fiscal year	\$	<u><u>658,917</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011-2012 and the two preceding fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation (Asset)</u>
6/30/2010	\$ 371,000	38.5%	\$ 442,131
6/30/2011	160,000	33.5%	548,472
6/30/2012	169,000	34.6%	658,917

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,336,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,336,000. The covered payroll (annual payroll of active employees covered by the plan) was \$6,701,000, and the ratio of the UAAL to the covered payroll was 20 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2011 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return, which is the expected long-term investment returns on plan assets, a projected salary increase assumption rate of 3.25 percent, an inflation rate of 3.0 percent, and an annual healthcare cost trend rate of 4.5 percent. The actuarial value of assets is not applicable (no assets as of the initial valuation date). The UAAL is being amortized as a flat percentage of covered payroll over thirty years. The remaining amortization period at January 1, 2011 was twenty-eight years.

NOTE 9 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 9 - RISK MANAGEMENT (Continued)

As of July 1, 1992, the City became a member of Northern California Cities Self Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self insured \$25,000 (\$50,000 as of July 1, 2007) retention for liability and the self insured \$100,000 retention for workers compensation. The NCCSIF is composed of 20 member cities and is governed by a board of directors appointed by the member cities. The governing board has authority over budgeting and financing.

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member of each city. The City of Yuba City council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The participants as of June 30, 2012, were as follows:

Anderson	Corning	Galt	Lincoln	Oroville	Red Bluff	Willows
Auburn	Dixon	Gridley	Marysville	Paradise	Rio Vista	Yuba City
Colusa	Folsom	Jackson	Nevada City	Placerville	Rocklin	

The City's investment in the NCCSIF of \$637,215 is recorded in the General Liability Program and Workers' Compensation Program Internal Service funds as prepaid insurance. The net change is shown as an income or expense item in the internal service funds.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 9 - RISK MANAGEMENT (Continued)

The NCCSIF's June 30, 2012 financial statements were audited by a different accounting firm and received an unqualified opinion. The following is summary financial information of the NCCSIF for the liability and workers' compensation programs for the fiscal year ended June 30, 2012:

	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>
Total assets	\$ 36,854,951	\$ 12,252,438
Total liabilities	25,541,701	10,401,746
Net assets	<u>\$ 11,313,250</u>	<u>\$ 1,850,692</u>
Operating revenue	\$ 7,358,948	\$ 5,006,647
Operating expenses	<u>9,202,864</u>	<u>9,760,870</u>
Operating income (loss)	(1,843,916)	(4,754,223)
Investment income	<u>1,306,421</u>	<u>505,012</u>
Net income (loss)	(537,495)	(4,249,211)
Beginning retained earnings	<u>11,850,745</u>	<u>6,099,903</u>
Ending retained earnings	<u>\$ 11,313,250</u>	<u>\$ 1,850,692</u>

Complete audited financial statements can be obtained from the Claims Administrator, 728 Cherry Street, Chico, California, 95928.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

A. Construction

The City has signed agreements to construct various capital improvement projects. The balance owed on these commitments at June 30, 2012 was \$7,638,176. The majority of these costs will be financed by proceeds of debt previously issued or existing reserves.

B. Contingencies

The City is involved in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management and legal counsel, that the resolution of these matters will not have a material adverse effect on the City's financial statements.

The City has received various state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 10 - COMMITMENTS AND CONTINGENCIES (Continued)

B. Contingencies (Continued)

In August 2011, the City entered into a loan agreement with the California Energy Commission to implement a street light retrofit program. The loan is for \$1,345,487 at an interest rate of 3.0%, with semi-annual payments of \$59,786 commencing during fiscal year 2013/14. The City is responsible for paying the project costs and will receive reimbursement after the project is complete. The loan will be repaid through actual energy savings from the project. As of June 30, 2012, \$37,046 of project costs have been incurred by the City.

NOTE 11 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balances/Net Assets

As of June 30, 2012 the following funds had a deficit fund balance/net assets:

Nonmajor Special Revenue Funds:	
CDBG Grant Fund	\$ 195,843
CDBG Program Income Fund	26,418
CAL-HOME Grant Fund	35,477
Neighborhood Stabilization Program Grant Fund	5,419
Trust Fund:	
Redevelopment Agency Successor Agency Fund	39,087,782

The CDBG Grant Fund deficit fund balance is expected to be eliminated in future years through intergovernmental revenue.

The CDBG Program income Fund deficit fund balance is expected to be eliminated in future years through program income revenue.

The CAL-HOME Grant Fund deficit fund balance is expected to be eliminated in future years through intergovernmental revenue.

The Neighborhood Stabilization Program Grant Fund deficit fund balance is expected to be eliminated in future years through intergovernmental revenue.

The Redevelopment Agency Successor Agency Fund deficit net assets is expected to be eliminated in future years through property tax revenue.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 12 - SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Yuba City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets units they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 12-001.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs that State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the state Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 12 - SUCCESSORY AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (Continued)

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss(gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary gain recognized in the fund financial statements and the extraordinary loss recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary (gain)/loss reported in governmental fund – (decrease)/increase to net assets of the Successor Agency Trust Funds	\$(5,434,768)
Capital assets recorded in the government-wide financial statements – increase of net assets of the Successor Agency Trust Funds	5,737,667
Notes receivable recorded in the government-wide financial statements – increase of net assets of the Successor Agency Trust Funds	3,364,806
Accrued bond interest reported in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Funds	(657,641)
Deferred charges reported in the government-wide financial statements – increase of net assets of the Successor Agency Trust Funds	466,306
Long-term debt reported in the government-wide financial statements – decrease to net assets of the Successor Agency Trust Funds	<u>(35,613,333)</u>
Net decrease to net assets of the Successor Agency Trust Funds as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u>\$(32,136,963)</u>

NOTE 13 – SUCCESSOR AGENCY

A. Notes Receivable of the Successor Agency as of June 30, 2012 consisted of the following:

The former Redevelopment Agency made a loan to Consolidated Area Housing Authority of the County of Sutter. The loan receivable balance at June 30, 2012 was \$901,352. The loan bears interest at 1.0% and is due on March 25, 2053.

The former Redevelopment Agency made a loan to Consolidated Area Housing Authority of the County of Sutter. The loan receivable balance at June 30, 2012 was \$314,820. The loan bears interest at 3.0% and is due on July 1, 2065.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 13 – SUCCESSOR AGENCY (Continued)

A. Notes receivable of the Successor Agency as of June 30, 2012 consisted of the following (Continued):

The former Redevelopment Agency made a loan to Sutter Community Affordable Housing. The loan receivable balance at June 30, 2012 was \$1,868,183. The loan bears interest at 3.0% and is due on March 25, 2053.

The former Redevelopment Agency made an interest free loan to Park Terrace Apartments, L.P. The loan receivable balance at June 30, 2012 was \$50,000. The loan is due on December 15, 2030.

The former Redevelopment Agency purchased a promissory note from Sutter Community Bank, with the debtor being the Sutter Performing Arts Association (SPAA). The loan receivable balance at June 30, 2012 was \$230,451. The loan bears interest at 7.25% and is due on March 3, 2013.

B. Capital assets of the Successor Agency as of June 30, 2012 consisted of the following:

	July 1, 2011 Balance	Transfers From RDA	Additions	Deletions	June 30, 2012 Balance
Capital assets, not being depreciated:					
Land	\$ -	\$ 3,907,713	\$ -	\$ -	\$ 3,907,713
Total capital assets, not being depreciated		3,907,713			3,907,713
Capital assets, being depreciated:					
Buildings		2,050,070			2,050,070
Improvements other than buildings		27,512			27,512
Total capital assets, being depreciated		2,077,582			2,077,582
Less accumulated depreciation for:					
Buildings		(247,628)	(41,251)		(288,879)
Total accumulated depreciation, net		(247,628)	(41,251)		(288,879)
Total capital assets, net	\$ -	\$ 5,737,667	\$ (41,251)	\$ -	\$ 5,696,416

C. Long-term receivables and payables between funds are classified as advances to or advances from other trust funds.

	Advances to	Advances from
RDA Low/Mod Successor Agency Private-Purpose Trust Fund	\$ 1,626,817	\$ -
RDA Successor Agency Private-Purpose Trust Fund		1,626,817
	<u>\$ 1,626,817</u>	<u>\$ 1,626,817</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 13 – SUCCESSOR AGENCY (Continued)

D. Long-term debt of the Successor Agency as of June 30, 2012, consisted of the following:

	Balance July 1, 2011	Transfer From RDA	Additions	Deletions	Balance June 30, 2012	Due within one year
Tax Allocation Bonds	\$ -	\$ 34,330,000	\$ -	\$ -	\$ 34,330,000	\$ 550,000
Less Deferred Amounts:						
Loss on Refunding		(547,551)			(547,551)	(20,280)
Plus: Bond Premium		200,290			200,290	7,153
Bonds, net		33,982,739			33,982,739	536,873
Advances from City of Yuba City		11,009,010			11,009,010	
Loan payable		1,630,594			1,630,594	50,666
Totals	\$ -	\$ 46,622,343	\$ -	\$ -	\$ 46,622,343	\$ 587,539

Tax Allocation Bonds – Series 2004A

On July 22, 2004, the former Redevelopment Agency issued \$16,210,000 of Tax Allocation Bonds bearing interest between 2.000% and 5.375% and payable semi-annually on March 1 and September 1, maturing on September 1, 2039. These bonds provided funds to aid in the financing of redevelopment in the project area and advance refund bonds issued in 1996. The outstanding principal balance of the 2004A Series bonds at June 30, 2012 was \$14,825,000.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 235,000	\$ 858,275	\$ 1,093,275
2014	245,000	847,230	1,092,230
2015	255,000	835,416	1,090,416
2016	270,000	822,610	1,092,610
2017	280,000	808,650	1,088,650
2018-2022	1,645,000	3,792,262	5,437,262
2023-2027	2,175,000	3,251,565	5,426,565
2028-2032	2,905,000	2,500,650	5,405,650
2033-2037	3,885,000	1,488,750	5,373,750
2038-2040	2,930,000	270,600	3,200,600
Totals	\$ 14,825,000	\$ 15,476,008	\$ 30,301,008

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 13 – SUCCESSOR AGENCY (Continued)

D. Long-term debt of the Successor Agency as of June 30, 2012, consisted of the following (Continued):

Tax Allocation Bonds – Series 2004B

On July 22, 2004, the former Redevelopment Agency issued \$4,480,000 of Tax Allocation Bonds bearing interest between 2.000% and 5.375% and payable semi-annually on March 1 and September 1, maturing on September 1, 2039. These bonds provided funds to aid in the financing of low and moderate income housing activities and advance refund bonds issued in 1996. The outstanding principal balance of the 2004B Series bonds at June 30, 2012 was \$4,090,000.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 65,000	\$ 236,741	\$ 301,741
2014	70,000	233,634	303,634
2015	70,000	230,326	300,326
2016	75,000	226,789	301,789
2017	80,000	222,854	302,854
2018-2022	450,000	1,045,281	1,495,281
2023-2027	600,000	896,625	1,496,625
2028-2032	800,000	690,000	1,490,000
2033-2037	1,070,000	411,000	1,481,000
2038-2040	810,000	74,700	884,700
Totals	<u>\$ 4,090,000</u>	<u>\$ 4,267,950</u>	<u>\$ 8,357,950</u>

Tax Allocation Bonds – Series 2007

On June 28, 2007, the Agency issued \$16,000,000 of Tax Allocation Bonds bearing interest of 5.00% and payable semi-annually on March 1 and September 1, maturing on September 1, 2039. These bonds provided funds to aid in the financing of redevelopment in the project area. The outstanding principal balance of the 2007 Series bonds at June 30, 2012 was \$15,415,000.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 250,000	\$ 794,649	\$ 1,044,649
2014	260,000	782,424	1,042,424
2015	275,000	770,236	1,045,236
2016	285,000	757,362	1,042,362
2017	305,000	743,048	1,048,048
2018-2022	1,770,000	3,469,682	5,239,682
2023-2027	2,255,000	2,969,248	5,224,248
2028-2032	2,910,000	2,297,369	5,207,369
2033-2037	3,975,000	1,402,896	5,377,896
2038-2040	3,130,000	256,107	3,386,107
Totals	<u>\$ 15,415,000</u>	<u>\$ 14,243,021</u>	<u>\$ 29,658,021</u>

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 13 – SUCCESSOR AGENCY (Continued)

D. Long-term debt of the Successor Agency as of June 30, 2012, consisted of the following (Continued):

Advances from City of Yuba City

The City of Yuba City had loaned the former Redevelopment Agency amounts as needed for operations. These amounts accrue interest at the same rate as LAIF earns. As of June 30, 2012, the interest rate was .382%. At June 30, 2012, the balance was \$11,009,010.

Loan Payable

The former Redevelopment Agency has a loan with the California Infrastructure and Economic Development Bank, issued in the amount of \$1,905,700. The loan is payable in annual principal installments of \$45,139 to \$95,640, with an interest rate of 2.91%, and a maturity of September 1, 2034.

The loan was used to finance redevelopment activities. The outstanding principal balance of the loan at June 30, 2012 was \$1,630,594.

The scheduled annual minimum debt service requirements at June 30, 2012 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2013	\$ 50,666	\$ 47,034	\$ 97,700
2014	52,151	45,528	97,679
2015	53,679	43,978	97,657
2016	55,251	42,382	97,633
2017	56,870	40,739	97,609
2018-2022	310,344	177,321	487,665
2023-2027	358,553	128,408	486,961
2028-2032	414,251	71,895	486,146
2033-2035	278,829	12,413	291,242
Totals	<u>\$ 1,630,594</u>	<u>\$ 609,698</u>	<u>\$ 2,240,292</u>

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

A prior period adjustment of \$3,290,959 was made on the Statement of Activities for Governmental Activities for an understatement of loans receivable (\$698,834) and an overstatement of unearned revenue (\$2,592,125) in the prior fiscal year.

NOTE 15 - SUBSEQUENT EVENTS

On October 2, 2012, the City Council approved a Project Finance Agreement with the California State Water Resources Control Board in the amount of \$7,700,000, which includes principal forgiveness up to \$3,000,000 (not to exceed 50% of eligible costs), contingent upon the City's performance of its obligations. The interest rate on the loan is 1.8%, with repayment over 20 years, commencing in fiscal year 2014/15.

CITY OF YUBA CITY
Notes to Basic Financial Statements
June 30, 2012

NOTE 15 - SUBSEQUENT EVENTS (Continued)

In preparing the accompanying financial statements, the City management has reviewed all known events that have occurred after June 30, 2012, and through December 26, 2012, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

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CITY OF YUBA CITY
Required Supplementary Information
June 30, 2012

Pension Trend Information

Required Supplementary Information
Miscellaneous Plan

Valuation Date	Entry Age Normal Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
6/30/2009	\$ 78,675,867	\$ 61,875,871	\$ 16,799,996	78.6%	\$ 11,742,805	143.1%
6/30/2010	83,247,779	65,498,936	17,748,843	78.7%	10,805,164	164.3%
6/30/2011	86,818,020	69,596,618	17,221,402	80.2%	10,059,864	171.2%

Other Postemployment Benefits

Schedule of Funding Progress

Valuation Date	Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
1/1/2011	\$ 1,336,000	\$ -	\$ 1,336,000	0.0%	\$ 6,701,000	19.9%

CITY OF YUBA CITY
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2012

BUDGETARY BASIS OF ACCOUNTING

The City prepares a budget for each fiscal year on or before June 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Resolution. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the City Council.

From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The legal level of control is the department. The City Council may amend the budget by resolution during the fiscal year.

Formal budgetary integration is employed as a management control device during the fiscal year for the General fund and special revenue funds. Special Revenue Fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States (USGAAP) and are consistent with the basis used for financial reporting. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any reconciliation. The City adopts project (versus annual) budgets (which can span a number of years) for the capital projects funds, therefore budgetary schedules for the capital projects funds are not presented. The debt service funds budgets are adopted when the debt issuances are authorized, therefore budgetary schedules for debt service funds are not presented.

The City uses an encumbrance system as an extension of normal budgetary accounting for the other governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balances since they do not constitute expenditures or liabilities. Unencumbered appropriation lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

CITY OF YUBA CITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes and assessments	\$ 22,363,083	\$ 22,363,083	\$ 23,405,233	\$ 1,042,150
Intergovernmental revenues	370,099	1,393,937	762,744	(631,193)
Licenses, permits, and fees	575,000	575,000	571,611	(3,389)
Fines and forfeitures	50,000	50,000	46,869	(3,131)
Use of money and property	74,920	84,520	109,939	25,419
Charges for services	2,378,240	2,379,112	2,384,467	5,355
Other revenues	83,100	73,500	176,755	103,255
	<u>25,894,442</u>	<u>26,919,152</u>	<u>27,457,618</u>	<u>538,466</u>
Total revenues				
Expenditures:				
Current:				
General government:				
City council	121,203	121,203	117,033	4,170
City manager	628,009	638,529	634,001	4,528
City attorney	150,000	158,881	158,881	
Finance	1,433,712	1,439,912	1,353,164	86,748
City treasurer	7,108	7,109	6,867	242
Information technology	708,165	721,365	684,201	37,164
City clerk	19,141	25,500	21,573	3,927
Human resources	480,775	489,008	396,829	92,179
Non departmental	167,491	205,528	155,277	50,251
Contingency	200,000	75,357	3,365	71,992
	<u>3,915,604</u>	<u>3,882,392</u>	<u>3,531,191</u>	<u>351,201</u>
Total general government				
Public safety:				
Animal control	454,172	534,172	474,046	60,126
Police-traffic	1,036,080	1,036,080	1,021,546	14,534
Police-administration	1,290,574	1,294,974	1,262,508	32,466
Police-investigation	2,103,779	2,203,779	2,216,851	(13,072)
Police-field operations	7,288,371	7,284,370	6,906,061	378,309
Police-community outreach	13,472	13,472	11,873	1,599
Police-technology research	161,954	161,954	162,011	(57)
Police-information and analysis	30,262	47,103	32,993	14,110
Police-communications	1,110,452	1,110,452	1,130,700	(20,248)
Law Enforcement-grants		367,314	250,135	117,179
Fire-administration	838,521	846,615	848,624	(2,009)
Fire-operations	7,897,006	8,023,473	8,420,098	(396,625)
Fire-grants		129,742	5,112	124,630
	<u>22,224,643</u>	<u>23,053,500</u>	<u>22,742,558</u>	<u>310,942</u>
Total public safety				

(Continued)

See notes to required supplementary information.

CITY OF YUBA CITY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL (Continued)

For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Expenditures: (Continued)				
Current:				
Parks and recreation:				
Administration	\$ 318,617	\$ 318,617	\$ 310,146	\$ 8,471
Supervision	219,703	219,703	212,172	7,531
Programs	599,724	599,932	519,806	80,126
Swimming pool	593,547	593,547	617,850	(24,303)
Senior center	134,000	134,000	134,277	(277)
Total parks and recreation	<u>1,865,591</u>	<u>1,865,799</u>	<u>1,794,251</u>	<u>71,548</u>
Public works and facilities:				
Administration	191,222	191,222	191,177	45
Streets	1,091,169	1,133,731	1,042,576	91,155
Parks	1,000,711	1,175,611	1,077,961	97,650
General services	610,325	609,040	493,473	115,567
Electrical maintenance	423,637	432,709	463,121	(30,412)
Engineering	1,112,756	1,127,570	1,127,692	(122)
Total public works and facilities	<u>4,429,820</u>	<u>4,669,883</u>	<u>4,396,000</u>	<u>273,883</u>
Community development:				
Planning	405,764	405,764	384,973	20,791
Building	378,980	401,277	396,607	4,670
Economic development	204,944	217,337	184,984	32,353
Total community development	<u>989,688</u>	<u>1,024,378</u>	<u>966,564</u>	<u>57,814</u>
Debt Service:				
Principal	117,644	117,644	117,644	
Interest and other charges	10,506	10,506	10,506	
Total debt service	<u>128,150</u>	<u>128,150</u>	<u>128,150</u>	
Capital Outlay:				
General government		37,500	40,116	(2,616)
Public safety		536,231	291,097	245,134
Public works and facilities		2,500	2,500	
Parks and recreation		2,500	2,500	
Total capital outlay		<u>578,731</u>	<u>336,213</u>	<u>242,518</u>
Total expenditures	<u>33,553,496</u>	<u>35,202,833</u>	<u>33,894,927</u>	<u>1,307,906</u>
Excess of revenues over (under) expenditures	<u>(7,659,054)</u>	<u>(8,283,681)</u>	<u>(6,437,309)</u>	<u>1,846,372</u>

(Continued)

See notes to required supplementary information.

CITY OF YUBA CITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (Continued)
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				(Negative)
Other Financing Sources (Uses):				
Transfers in	\$ 6,129,445	\$ 6,223,091	\$ 6,356,565	\$ 133,474
Total other financing sources (uses)	<u>6,129,445</u>	<u>6,223,091</u>	<u>6,356,565</u>	<u>133,474</u>
Net changes in fund balance before Special Item	(1,529,609)	(2,060,590)	(80,744)	1,979,846
Special Item				
Foregiveness of matured interest on advances			(7,545,917)	(7,545,917)
Net changes in fund balance	(1,529,609)	(2,060,590)	(7,626,661)	(5,566,071)
Fund balance - July 1, 2011	<u>26,882,961</u>	<u>26,882,961</u>	<u>26,882,961</u>	
Fund balance - June 30, 2012	<u>\$ 25,353,352</u>	<u>\$ 24,822,371</u>	<u>\$ 19,256,300</u>	<u>\$ (5,566,071)</u>

See notes to required supplementary information.

CITY OF YUBA CITY
HOME GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental revenues	\$ 500,000	\$ 500,000	\$ 553,028	\$ 53,028
Use of money and property			1,073	1,073
Program income	30,000	30,000	22,361	(7,639)
Total revenues	<u>530,000</u>	<u>530,000</u>	<u>576,462</u>	<u>46,462</u>
Expenditures:				
Current:				
Community development	530,000	530,000	425,324	104,676
Total expenditures	<u>530,000</u>	<u>530,000</u>	<u>425,324</u>	<u>104,676</u>
Excess of revenues over (under) expenditures			<u>151,138</u>	<u>151,138</u>
Other Financing Sources (Uses):				
Transfers out			(7,742)	(7,742)
Total other financing sources (uses)			<u>(7,742)</u>	<u>(7,742)</u>
Net changes in fund balance			143,396	143,396
Fund balance (deficit) - July 1, 2011	<u>(137,922)</u>	<u>(137,922)</u>	<u>(137,922)</u>	
Fund balance (deficit) - June 30, 2012	<u>\$ (137,922)</u>	<u>\$ (137,922)</u>	<u>\$ 5,474</u>	<u>\$ 143,396</u>

See notes to required supplementary information.

CITY OF YUBA CITY
STREETS AND ROADS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes and assessments	\$ 2,868,312	\$ 2,868,312	\$ 3,186,297	\$ 317,985
Use of money and property	45,800	45,800	18,447	(27,353)
Intergovernmental revenues	1,782,924	1,782,924	200,831	(1,582,093)
Other revenue	84,000	119,000	142,500	23,500
	<u>4,781,036</u>	<u>4,816,036</u>	<u>3,548,075</u>	<u>(1,267,961)</u>
Other Financing Sources (Uses):				
Transfers in	2,029,522	2,029,522	2,029,522	
Transfers out	(3,440,553)	(3,774,226)	(3,774,226)	
	<u>(1,411,031)</u>	<u>(1,744,704)</u>	<u>(1,744,704)</u>	
Net change in fund balance	3,370,005	3,071,332	1,803,371	(1,267,961)
Fund balance (deficit) - July 1, 2011	<u>(4,148)</u>	<u>(4,148)</u>	<u>(4,148)</u>	
Fund balance (deficit) - June 30, 2012	<u>\$ 3,365,857</u>	<u>\$ 3,067,184</u>	<u>\$ 1,799,223</u>	<u>\$ (1,267,961)</u>

See notes to required supplementary information.

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CITY OF YUBA CITY

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted by law or administrative action and expenditures for specified purposes. Nonmajor special revenue funds used by the City are listed below:

Traffic Safety Fund – This fund is used to account for court fines collected on the City’s account for moving violations.

Low and Moderate Set Aside Fund – This fund is used to account for property tax increment specifically levied for low and moderate income housing.

Law Enforcement Services Fund – This fund is used to account for special police revenue to be used for traffic enforcement services.

Landscape Districts Fund – This fund is used to account for monies to be used to landscape various areas of the City.

Recology Rate Stabilization Fund – This fund is used to account for funds received from Recology Yuba-Sutter to be used for stabilization of future solid waste collection rates and/or the acquisition of solid waste facilities or equipment.

Redevelopment Agency Fund – This fund was used to account for the property tax increment levied for redevelopment.

CDBG Grant Fund – This fund is used to account for CDBG open grant activities.

CDBG Program Income Fund – This fund is used to account for CDBG program income generated from loans made previously, which revolve back into the program for reuse.

Miscellaneous Lighting Districts Fund – This fund is used to account for monies to be used for various street lighting districts.

CAL-HOME Grant Fund – This fund is used to account for CAL-HOME grant activities.

Fire Mitigation Fees Fund – This fund is used to account for monies collected for fire mitigation purposes.

Harter Specific Plan Fund – This fund is used to account for monies to be used for the Harter Specific Plan.

Specific Plan Fund – This fund is used to account for Specific Plan amendments.

Siller Ranch MP Fund – This fund is used to account for monies to be used for the activities of the Siller Ranch Master Plan.

Neighborhood Stabilization Program Grant Fund – This fund is used to account for Neighborhood Stabilization Program federal grant monies that were used for program activities.

DOE Energy Conservation Fund – This fund is used to account for DOE Energy Conservation grant activities.

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CITY OF YUBA CITY

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt Service Funds are used to account for accumulation of resources for, and payment of, principal and interest on the City's governmental activities long-term debt. Nonmajor debt service funds of the City are listed below:

Gauche Park COP Fund – This fund is used to account for the activity for the repayment of the 2006 Gauche Park Certificates of Participation.

CIEDB Loan Fund – This fund was used to account for the activity for the repayment of the CIEDB loan.

Yuba City RDA 2004 Series A Fund – This fund was used to account for the activity for the repayment of the 2004 Series A bonds.

Yuba City RDA Low/Mod Series B Fund – This fund was used to account for the repayment of the Yuba City RDA Low/Mod Series B bonds.

Yuba City RDA 2007 Series Fund – This fund was used to account for the repayment of the Yuba City RDA 2007 Series bonds.

Pension Obligation Bonds Fund – This fund is used to account for the repayment of the Pension Obligation Bonds.

Redevelopment Agency Fund – This fund was used to account for the advance from the General Fund to the Yuba City Redevelopment Agency.

Fire Station #4 Lease Fund – This fund is used to account for the capital lease payments associated with Fire Station #4.

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition of land or acquisition and construction of major capital facilities other than those financed by the proprietary fund types. Nonmajor capital project funds are listed below:

Streets and Roads CIP Projects Fund – This fund is used to account for funds budgeted for capital expenditures, which are funded from gas tax revenue and streets and road fund sources.

Yuba City RDA CIP Project Fund – This fund was used to account for funds budgeted for the RDA projects.

CITY OF YUBA CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012

Special Revenue Funds

	Traffic Safety Fund	Low and Moderate Set Aside Fund	Law Enforcement Services Fund	Landscape Districts Fund	Recology Rate Stabilization Fund
Assets					
Cash and investments	\$ 142,032	\$ -	\$ 82,983	\$ 697,103	\$ 91,809
Cash and investments with fiscal agent					
Interest receivable					
Accounts receivable	35,603		2,472	1,176	18,331
Taxes and assessments receivable				5,214	
Notes receivable					
Total assets	\$ 177,635	\$ -	\$ 85,455	\$ 703,493	\$ 110,140
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 14,442	\$ -	\$ -	\$ 9,271	\$ -
Deposits payable	14,781				
Deferred revenue					109,985
Due to other funds					
Total liabilities	29,223			9,271	109,985
Fund Balances:					
Restricted				694,222	155
Committed	148,412		85,455		
Unassigned					
Total fund balances (deficits)	148,412		85,455	694,222	155
Total liabilities and fund balances	\$ 177,635	\$ -	\$ 85,455	\$ 703,493	\$ 110,140

Special Revenue Funds

Redevelopment Agency Fund	CDBG Grant Fund	CDBG Program Income Fund	Miscellaneous Lighting Districts Fund	CAL-HOME Grant Fund
\$ -	\$ -	\$ -	\$ 406,100	\$ -
	1,013		816 4,255	110,967
		1,590,847		330,279
<u>\$ -</u>	<u>\$ 1,013</u>	<u>\$ 1,590,847</u>	<u>\$ 411,171</u>	<u>\$ 441,246</u>
\$ -	\$ 99,698	\$ 175	\$ 9,281	\$ -
		1,590,847		330,279
	97,158	26,243		146,444
	196,856	1,617,265	9,281	476,723
			401,890	
	(195,843)	(26,418)		(35,477)
	(195,843)	(26,418)	401,890	(35,477)
<u>\$ -</u>	<u>\$ 1,013</u>	<u>\$ 1,590,847</u>	<u>\$ 411,171</u>	<u>\$ 441,246</u>

(Continued)

CITY OF YUBA CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
June 30, 2012

Special Revenue Funds

	Fire Mitigation Fees Fund	Harter Specific Plan Fund	Specific Plan Fund	Siller Ranch MP Fund	Neighborhood Stabilization Program Grant Fund	DOE Energy Conservation Fund
Assets						
Cash and investments	\$ 100,681	\$ 849,110	\$ 71,144	\$ -	\$ -	\$ 58,360
Cash and investments with fiscal agent						
Interest receivable						
Accounts receivable						1,523
Taxes and assessments receivable						
Notes receivable						
Total assets	\$ 100,681	\$ 849,110	\$ 71,144	\$ -	\$ -	\$ 59,883
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits payable		702,984	45,809			
Deferred revenue						
Due to other funds					5,419	
Total liabilities		702,984	45,809		5,419	
Fund Balances:						
Restricted	100,681	146,126	25,335			59,883
Committed						
Unassigned					(5,419)	
Total fund balances (deficits)	100,681	146,126	25,335		(5,419)	59,883
Total liabilities and fund balances	\$ 100,681	\$ 849,110	\$ 71,144	\$ -	\$ -	\$ 59,883

Debt Service Funds

Gauche Park COP Fund	CIEDB Loan Fund	Yuba City RDA 2004 Series A Fund	Yuba City RDA Low/Mod Series B Fund	Yuba City RDA 2007 Series Fund
\$ 2 2,023,827 12	\$ -	\$ -	\$ -	\$ -
<u>\$ 2,023,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -
772,479 1,251,362				
<u>2,023,841</u>				
<u>\$ 2,023,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF YUBA CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (Continued)
 June 30, 2012

	<u>Debt Service Funds</u>			<u>Capital Projects Funds</u>		<u>Totals</u>
	<u>Pension Obligation Bonds Fund</u>	<u>Redevelopment Agency Fund</u>	<u>Fire Station #4 Lease Fund</u>	<u>Streets and Roads CIP Projects Fund</u>	<u>Yuba City RDA CIP Project Fund</u>	
Assets						
Cash and investments	\$ 93,999	\$ -	\$ -	\$ 811,912	\$ -	\$ 3,405,235
Cash and investments with fiscal agent	82					2,023,909
Interest receivable						12
Accounts receivable				30,903		202,804
Taxes and assessments receivable						9,469
Notes receivable						1,921,126
						<u>1,921,126</u>
Total assets	<u>\$ 94,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 842,815</u>	<u>\$ -</u>	<u>\$ 7,562,555</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 15,510	\$ -	\$ 148,377
Deposits payable						763,574
Deferred revenue						2,031,111
Due to other funds						275,264
						<u>275,264</u>
Total liabilities				<u>15,510</u>		<u>3,218,326</u>
Fund Balances:						
Restricted	94,081					2,294,852
Committed				827,305		2,312,534
Unassigned						(263,157)
						<u>(263,157)</u>
Total fund balances (deficits)	<u>94,081</u>			<u>827,305</u>		<u>4,344,229</u>
Total liabilities and fund balances	<u>\$ 94,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 842,815</u>	<u>\$ -</u>	<u>\$ 7,562,555</u>

CITY OF YUBA CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds				
	Traffic Safety Fund	Low and Moderate Set Aside Fund	Law Enforcement Services Fund	Landscape Districts Fund	Recology Rate Stabilization Fund
Revenues:					
Taxes and assessments	\$ -	\$ 10,649	\$ -	\$ 322,301	\$ -
Use of money and property	1,103	8,673	1,156	8,798	155
Intergovernmental revenues					
Charges for services					
Licenses, permits, and fees					
Fines and forfeitures	302,531		72,557		
Program income					
Other revenues		2,516			
Total revenues	303,634	21,838	73,713	331,099	155
Expenditures:					
Current:					
General government					
Public safety	105,476				
Parks and recreation				248,631	
Public works and facilities					
Community development		5,092			
Capital outlay					
Debt Service:					
Principal					
Interest and other charges					
Total expenditures	105,476	5,092		248,631	
Excess of revenues over (under) expenditures	198,158	16,746	73,713	82,468	155
Other Financing Sources (Uses):					
Transfers in		5,228			
Transfers out	(100,000)	(190,483)	(100,000)	(157,634)	
Total other financing sources (uses)	(100,000)	(185,255)	(100,000)	(157,634)	
Net changes in fund balances before special and extraordinary items	98,158	(168,509)	(26,287)	(75,166)	155
Special Item					
Foregiveness of matured interest on advances					
Extraordinary Item					
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds		(4,372,626)			
Net changes in fund balances	98,158	(4,541,135)	(26,287)	(75,166)	155
Fund balances (deficits) - July 1, 2011	50,254	4,541,135	111,742	769,388	
Fund balances (deficits) - June 30, 2012	\$ 148,412	\$ -	\$ 85,455	\$ 694,222	\$ 155

Special Revenue Funds

Redevelopment Agency Fund	CDBG Grant Fund	CDBG Program Income Fund	Miscellaneous Lighting Districts Fund	CAL-HOME Grant Fund
\$ 1,481,118	\$ -	\$ -	\$ 317,766	\$ -
62,647	11,488	(1,547)	3,724	
	424,475			230,567
	1,685	6,910		1,600
20,830				
<u>1,564,595</u>	<u>437,648</u>	<u>5,363</u>	<u>321,490</u>	<u>232,167</u>
			216,500	
402,203	268,561	23,983		114,351
	224,178			
<u>402,203</u>	<u>492,739</u>	<u>23,983</u>	<u>216,500</u>	<u>114,351</u>
<u>1,162,392</u>	<u>(55,091)</u>	<u>(18,620)</u>	<u>104,990</u>	<u>117,816</u>
<u>(2,292,270)</u>	<u>(125,691)</u>		<u>(63,926)</u>	
<u>(2,292,270)</u>	<u>(125,691)</u>		<u>(63,926)</u>	
(1,129,878)	(180,782)	(18,620)	41,064	117,816
(48,370)				
(1,178,248)	(180,782)	(18,620)	41,064	117,816
1,178,248	(15,061)	(7,798)	360,826	(153,293)
<u>\$ -</u>	<u>\$ (195,843)</u>	<u>\$ (26,418)</u>	<u>\$ 401,890</u>	<u>\$ (35,477)</u>

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CITY OF YUBA CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
For the Fiscal Year Ended June 30, 2012

	Special Revenue Funds					
	Fire Mitigation Fees Fund	Harter Specific Plan Fund	Specific Plan Fund	Siller Ranch MP Fund	Neighborhood Stabilization Program Grant Fund	DOE Energy Conservation Fund
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	1,105	9,494	795			591
Intergovernmental revenues						9,144
Charges for services						
Licenses, permits, and fees	2,314					
Fines and forfeitures						
Program income						
Other revenues						
Total revenues	3,419	9,494	795			9,735
Expenditures:						
Current:						
General government						
Public safety						
Parks and recreation						
Public works and facilities						
Community development					2,028	
Capital outlay						
Debt Service:						
Principal						
Interest and other charges						
Total expenditures					2,028	
Excess of revenues over (under) expenditures	3,419	9,494	795		(2,028)	9,735
Other Financing Sources (Uses):						
Transfers in						
Transfers out				(493)	(8,619)	
Total other financing sources (uses)				(493)	(8,619)	
Net changes in fund balances before special and extraordinary items	3,419	9,494	795	(493)	(10,647)	9,735
Special Item						
Foregiveness of matured interest on advances						
Extraordinary Item						
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds						
Net changes in fund balances	3,419	9,494	795	(493)	(10,647)	9,735
Fund balances (deficits) - July 1, 2011	97,262	136,632	24,540	493	5,228	50,148
Fund balances (deficits) - June 30, 2012	<u>\$ 100,681</u>	<u>\$ 146,126</u>	<u>\$ 25,335</u>	<u>\$ -</u>	<u>\$ (5,419)</u>	<u>\$ 59,883</u>

Debt Service Funds

Gauche Park COP Fund	CIEDB Loan Fund	Yuba City RDA 2004 Series A Fund	Yuba City RDA Low/Mod Series B Fund	Yuba City RDA 2007 Series Fund
\$ - 38,826	\$ -	\$ -	\$ -	\$ -
258,499	48,531		119,101	
297,325	48,531		119,101	
4,930				
	5,039			3,115
270,000	49,224	225,000	65,000	155,000
503,503	48,498	868,344	239,585	804,880
778,433	102,761	1,093,344	304,585	962,995
(481,108)	(54,230)	(1,093,344)	(185,484)	(962,995)
519,934	54,230	1,093,344	185,484	962,995
519,934	54,230	1,093,344	185,484	962,995
38,826				
38,826				
1,985,015				
<u>\$ 2,023,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CITY OF YUBA CITY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
For the Fiscal Year Ended June 30, 2012

	<u>Debt Service Funds</u>			<u>Capital Projects Funds</u>		<u>Totals</u>
	<u>Pension Obligation Bonds Fund</u>	<u>Redevelopment Agency Fund</u>	<u>Fire Station #4 Lease Fund</u>	<u>Streets and Roads CIP Projects Fund</u>	<u>Yuba City RDA CIP Project Fund</u>	
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,131,834
Use of money and property	82				2,371	149,461
Intergovernmental revenues						664,186
Charges for services	983,863					983,863
Licenses, permits, and fees						2,314
Fines and forfeitures						375,088
Program income						10,195
Other revenues				301,851		751,328
Total revenues	<u>983,945</u>			<u>301,851</u>	<u>2,371</u>	<u>5,068,269</u>
Expenditures:						
Current:						
General government	3,322					3,322
Public safety						105,476
Parks and recreation						253,561
Public works and facilities						216,500
Community development						824,372
Capital outlay				1,651,013	659,343	2,534,534
Debt Service:						
Principal	715,000		557,228			2,036,452
Interest and other charges	288,033		165,463			2,918,306
Total expenditures	<u>1,006,355</u>		<u>722,691</u>	<u>1,651,013</u>	<u>659,343</u>	<u>8,892,523</u>
Excess of revenues over (under) expenditures	<u>(22,410)</u>		<u>(722,691)</u>	<u>(1,349,162)</u>	<u>(656,972)</u>	<u>(3,824,254)</u>
Other Financing Sources (Uses):						
Transfers in			722,691	1,985,023		5,528,929
Transfers out				(2,252,534)	(66,966)	(5,358,616)
Total other financing sources (uses)			<u>722,691</u>	<u>(267,511)</u>	<u>(66,966)</u>	<u>170,313</u>
Net changes in fund balances before special and extraordinary items	(22,410)			(1,616,673)	(723,938)	(3,653,941)
Special Item						
Foregiveness of matured interest on advances		7,545,917				7,545,917
Extraordinary Item						
Gain (loss) on transfer of assets and liabilities to RDA successor trust funds		11,009,010			(1,153,246)	5,434,768
Net changes in fund balances	(22,410)	18,554,927		(1,616,673)	(1,877,184)	9,326,744
Fund balances (deficits) - July 1, 2011	116,491	(18,554,927)		2,443,978	1,877,184	(4,982,515)
Fund balances (deficits) - June 30, 2012	<u>\$ 94,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 827,305</u>	<u>\$ -</u>	<u>\$ 4,344,229</u>

CITY OF YUBA CITY
TRAFFIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 308,000	\$ 302,531	\$ (5,469)
Use of money and property	1,000	1,103	103
Total revenues	<u>309,000</u>	<u>303,634</u>	<u>(5,366)</u>
Expenditures:			
Current:			
Public safety	<u>150,000</u>	<u>105,476</u>	<u>44,524</u>
Total expenditures	<u>150,000</u>	<u>105,476</u>	<u>44,524</u>
Excess of revenues over (under) expenditures	<u>159,000</u>	<u>198,158</u>	<u>39,158</u>
Other Financing Sources (Uses):			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	
Net changes in fund balance	59,000	98,158	39,158
Fund balance - beginning of fiscal year	<u>50,254</u>	<u>50,254</u>	
Fund balance - end of fiscal year	<u><u>\$ 109,254</u></u>	<u><u>\$ 148,412</u></u>	<u><u>\$ 39,158</u></u>

CITY OF YUBA CITY
LAW ENFORCEMENT SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 105,000	\$ 72,557	\$ (32,443)
Use of money and property	2,000	1,156	(844)
Total revenues	<u>107,000</u>	<u>73,713</u>	<u>(33,287)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	
Net changes in fund balance	7,000	(26,287)	(33,287)
Fund balance - beginning of fiscal year	<u>111,742</u>	<u>111,742</u>	
Fund balance - end of fiscal year	<u>\$ 118,742</u>	<u>\$ 85,455</u>	<u>\$ (33,287)</u>

CITY OF YUBA CITY
LANDSCAPE DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 328,790	\$ 322,301	\$ (6,489)
Use of money and property	14,782	8,798	(5,984)
Total revenues	<u>343,572</u>	<u>331,099</u>	<u>(12,473)</u>
Expenditures:			
Current:			
Parks and recreation	<u>252,575</u>	<u>248,631</u>	<u>3,944</u>
Total expenditures	<u>252,575</u>	<u>248,631</u>	<u>3,944</u>
Excess of revenues over (under) expenditures	<u>90,997</u>	<u>82,468</u>	<u>(8,529)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(154,816)</u>	<u>(157,634)</u>	<u>(2,818)</u>
Total other financing sources (uses)	<u>(154,816)</u>	<u>(157,634)</u>	<u>(2,818)</u>
Net change in fund balance	(63,819)	(75,166)	(11,347)
Fund balance - beginning of fiscal year	<u>769,388</u>	<u>769,388</u>	
Fund balance - end of fiscal year	<u><u>\$ 705,569</u></u>	<u><u>\$ 694,222</u></u>	<u><u>\$ (11,347)</u></u>

CITY OF YUBA CITY
RECOLOGY RATE STABILIZATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 155	\$ 155
Total Revenues		155	155
Net change in fund balance		155	155
Fund Balance - beginning of fiscal year			
Fund Balance - end of fiscal year	\$ -	\$ 155	\$ 155

CITY OF YUBA CITY
REDEVELOPMENT AGENCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 2,836,342	\$ 1,481,118	\$ (1,355,224)
Use of money and property	111,700	62,647	(49,053)
Other revenues	188,135	20,830	(167,305)
Total revenues	<u>3,136,177</u>	<u>1,564,595</u>	<u>(1,571,582)</u>
Expenditures:			
Current:			
Community development	955,841	402,203	553,638
Total expenditures	<u>955,841</u>	<u>402,203</u>	<u>553,638</u>
Excess of revenues over (under) expenditures	<u>2,180,336</u>	<u>1,162,392</u>	<u>(1,017,944)</u>
Other Financing Sources (Uses):			
Transfers out	(2,550,764)	(2,292,270)	258,494
Total other financing sources (uses)	<u>(2,550,764)</u>	<u>(2,292,270)</u>	<u>258,494</u>
Net change in fund balance before Extraordinary Item	(370,428)	(1,129,878)	(759,450)
Extraordinary Item			
Loss on transfer of assets and liabilities to RDA successor trust funds		(48,370)	(48,370)
Net change in fund balance	(370,428)	(1,178,248)	(807,820)
Fund balance - beginning of fiscal year	<u>1,178,248</u>	<u>1,178,248</u>	
Fund balance - end of fiscal year	<u>\$ 807,820</u>	<u>\$ -</u>	<u>\$ (807,820)</u>

CITY OF YUBA CITY
CDBG GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 511,638	\$ 424,475	\$ (87,163)
Use of money and property		11,488	11,488
Program income	12,000	1,685	(10,315)
Total revenues	523,638	437,648	(85,990)
Expenditures:			
Current:			
Community development	474,031	268,561	205,470
Capital outlay	203,853	224,178	(20,325)
Total expenditures	677,884	492,739	185,145
Excess of revenues over (under) expenditures	(154,246)	(55,091)	99,155
Other Financing Sources (Uses):			
Transfers out	(108,783)	(125,691)	(16,908)
Total other financing sources (uses)	(108,783)	(125,691)	(16,908)
Net change in fund balance	(263,029)	(180,782)	82,247
Fund balance (deficit) - beginning of fiscal year	(15,061)	(15,061)	
Fund balance (deficit) - end of fiscal year	\$ (278,090)	\$ (195,843)	\$ 82,247

CITY OF YUBA CITY
CDBG PROGRAM INCOME SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ (1,547)	\$ (1,547)
Program income	20,000	6,910	(13,090)
Total revenues	<u>20,000</u>	<u>5,363</u>	<u>(14,637)</u>
Expenditures:			
Current:			
Community development	20,000	23,983	(3,983)
Total expenditures	<u>20,000</u>	<u>23,983</u>	<u>(3,983)</u>
Net change in fund balance		(18,620)	(18,620)
Fund balance (deficit) - beginning of fiscal year	<u>(7,798)</u>	<u>(7,798)</u>	
Fund balance (deficit) - end of fiscal year	<u><u>\$ (7,798)</u></u>	<u><u>\$ (26,418)</u></u>	<u><u>\$ (18,620)</u></u>

CITY OF YUBA CITY
MISCELLANEOUS LIGHTING DISTRICTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes and assessments	\$ 237,131	\$ 317,766	\$ 80,635
Use of money and property	8,669	3,724	(4,945)
Total revenues	245,800	321,490	75,690
Expenditures:			
Current:			
Public works and facilities	194,571	216,500	(21,929)
Total expenditures	194,571	216,500	(21,929)
Excess of revenues over (under) expenditures	51,229	104,990	53,761
Other Financing Sources (Uses):			
Transfers out	(84,652)	(63,926)	20,726
Total other financing sources (uses)	(84,652)	(63,926)	20,726
Net change in fund balance	(33,423)	41,064	74,487
Fund balance - beginning of fiscal year	360,826	360,826	
Fund balance - end of fiscal year	\$ 327,403	\$ 401,890	\$ 74,487

CITY OF YUBA CITY
CAL-HOME GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 360,000	\$ 230,567	\$ (129,433)
Program revenue	2,000	1,600	(400)
Total revenues	<u>362,000</u>	<u>232,167</u>	<u>(129,833)</u>
Expenditures:			
Current:			
Community development	<u>362,000</u>	<u>114,351</u>	<u>247,649</u>
Total expenditures	<u>362,000</u>	<u>114,351</u>	<u>247,649</u>
Net change in fund balance		117,816	117,816
Fund balance (deficit) - beginning of fiscal year	<u>(153,293)</u>	<u>(153,293)</u>	
Fund balance (deficit) - end of fiscal year	<u><u>\$ (153,293)</u></u>	<u><u>\$ (35,477)</u></u>	<u><u>\$ 117,816</u></u>

CITY OF YUBA CITY
FIRE MITIGATION FEES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ 1,900	\$ 1,105	\$ (795)
Licenses, permits, and fees	<u>6,200</u>	<u>2,314</u>	<u>(3,886)</u>
Total revenues	<u>8,100</u>	<u>3,419</u>	<u>(4,681)</u>
Net change in fund balance	8,100	3,419	(4,681)
Fund balance - beginning of fiscal year	<u>97,262</u>	<u>97,262</u>	<u></u>
Fund balance - end of fiscal year	<u><u>\$ 105,362</u></u>	<u><u>\$ 100,681</u></u>	<u><u>\$ (4,681)</u></u>

CITY OF YUBA CITY
HARTER SPECIFIC PLAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 9,494	\$ 9,494
Total revenues		9,494	9,494
Net change in fund balance		9,494	9,494
Fund balance - beginning of fiscal year	136,632	136,632	
Fund balance - end of fiscal year	\$ 136,632	\$ 146,126	\$ 9,494

CITY OF YUBA CITY
SPECIFIC PLAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 795	\$ 795
Total revenues		795	795
Net change in fund balance		795	795
Fund balance - beginning of fiscal year	<u>24,540</u>	<u>24,540</u>	
Fund balance - end of fiscal year	<u>\$ 24,540</u>	<u>\$ 25,335</u>	<u>\$ 795</u>

CITY OF YUBA CITY
SILLER RANCH MP SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):			
Transfers out	\$ (493)	\$ (493)	\$ -
Total other financing sources (uses)	(493)	(493)	
Net change in fund balance	(493)	(493)	
Fund balance - beginning of fiscal year	493	493	
Fund balance - end of fiscal year	\$ -	\$ -	\$ -

CITY OF YUBA CITY
NEIGHBORHOOD STABILIZATION PROGRAM GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 4,410,075	\$ -	\$ (4,410,075)
Total revenues	4,410,075		(4,410,075)
Expenditures:			
Current:			
Community development	4,410,075	2,028	4,408,047
Total expenditures	4,410,075	2,028	4,408,047
Excess of revenues over (under) expenditures		(2,028)	(2,028)
Other Financing Sources (Uses):			
Transfers out	(5,227)	(8,619)	(3,392)
Total other financing sources (uses)	(5,227)	(8,619)	(3,392)
Net change in fund balance	(5,227)	(10,647)	(5,420)
Fund balance - beginning of fiscal year	5,228	5,228	
Fund balance (deficit) - end of fiscal year	\$ 1	\$ (5,419)	\$ (5,420)

CITY OF YUBA CITY
DOE ENERGY CONSERVATION GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ -	\$ 9,144	\$ 9,144
Use of money and property		591	591
Total revenues		9,735	9,735
Net change in fund balance		9,735	9,735
Fund Balance - beginning of fiscal year	50,148	50,148	
Fund Balance - end of fiscal year	\$ 50,148	\$ 59,883	\$ 9,735

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CITY OF YUBA CITY

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. Internal service funds used by the City are listed below:

Vehicle Replacement Fund – This fund is used to account for the replacement of City vehicles upon the expiration of their useful life.

Vehicle Maintenance Fund – This fund is used to account for the maintenance of City vehicles.

Technology Replacement Fund – This fund is used to account for the replacement of City computers and servers upon the expiration of their useful life.

Employee Benefits Fund – This fund is used to account for the provision of health and unemployment benefits.

Vision/Dental Fund – This fund is used to account for the provisions of employee vision and dental benefits.

Disability Program Fund – This fund is used to account for the City's self-funded employee disability benefits.

Workers' Compensation Program Fund – This fund is used to account for the City's self-insured employee workers' compensation benefits.

General Liability Program Fund – This fund is used to account for the provision of the City's self-insured general liability program.

CITY OF YUBA CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2012

	Vehicle Replacement Fund	Vehicle Maintenance Fund	Technology Replacement Fund
ASSETS			
Current Assets:			
Cash and investments	\$ 7,329,236	\$ 449,301	\$ 2,878,703
Accounts receivable		1,473	
Inventory		18,322	
Prepaid expenses			
	<u>7,329,236</u>	<u>469,096</u>	<u>2,878,703</u>
Total current assets			
Capital Assets:			
Depreciable			
Buildings		306,372	
Machinery and equipment	9,555,753	88,821	1,592,679
	<u>9,555,753</u>	<u>395,193</u>	<u>1,592,679</u>
Total depreciable capital assets	9,555,753	395,193	1,592,679
Less accumulated depreciation	<u>(7,671,369)</u>	<u>(248,147)</u>	<u>(1,194,792)</u>
Net depreciable capital assets	<u>1,884,384</u>	<u>147,046</u>	<u>397,887</u>
Net capital assets	<u>1,884,384</u>	<u>147,046</u>	<u>397,887</u>
Total noncurrent assets	<u>1,884,384</u>	<u>147,046</u>	<u>397,887</u>
Total assets	<u>9,213,620</u>	<u>616,142</u>	<u>3,276,590</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	35,156	15,007	73
Accrued wages		13,432	
Unearned revenue			
	<u>35,156</u>	<u>28,439</u>	<u>73</u>
Total current liabilities	35,156	28,439	73
Noncurrent Liabilities:			
Compensated absences		33,904	
	<u>35,156</u>	<u>62,343</u>	<u>73</u>
Total liabilities	35,156	62,343	73
NET ASSETS			
Investment in capital assets, net of related debt	1,884,384	147,046	397,887
Unrestricted	7,294,080	406,753	2,878,630
	<u>1,884,384</u>	<u>147,046</u>	<u>397,887</u>
Total net assets	<u>\$ 9,178,464</u>	<u>\$ 553,799</u>	<u>\$ 3,276,517</u>

Employee Benefits Fund	Vision/ Dental Fund	Disability Program Fund	Workers' Compensation Program Fund	General Liability Program Fund	Totals
\$ 218,966	\$ 238,925	\$ 61,137	\$ 1,615,940	\$ 584,454	\$ 13,376,662
36,355	7,609				45,437
231,187			400,847	236,368	868,402
486,508	246,534	61,137	2,016,787	820,822	14,308,823
					306,372
					11,237,253
					11,543,625
					(9,114,308)
					2,429,317
					2,429,317
					2,429,317
486,508	246,534	61,137	2,016,787	820,822	16,738,140
2,291	11,489	2,998	1,219	330	68,563
7,929					13,432
10,220	11,489	2,998	1,219	330	89,924
					33,904
10,220	11,489	2,998	1,219	330	123,828
					2,429,317
476,288	235,045	58,139	2,015,568	820,492	14,184,995
\$ 476,288	\$ 235,045	\$ 58,139	\$ 2,015,568	\$ 820,492	\$ 16,614,312

CITY OF YUBA CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS
For the Fiscal Year Ended June 30, 2012

	Vehicle Replacement Fund	Vehicle Maintenance Fund	Technology Replacement Fund
Revenues:			
Charges for services	\$ 655,434	\$ 640,166	\$ 446,503
Other revenues	355	596	37,008
	<u>655,789</u>	<u>640,762</u>	<u>483,511</u>
Expenses:			
Salaries and benefits		339,773	
Professional services		2,291	33,068
Supplies	16,209	463	
Benefits, claims, and insurance		3,360	
Maintenance and operation		332,054	144,535
Tools and equipment		5,359	95,535
Power and utilities		9,579	38,073
Training		982	
Depreciation	567,903	10,063	127,248
	<u>584,112</u>	<u>703,924</u>	<u>438,459</u>
Operating Income (Loss)	<u>71,677</u>	<u>(63,162)</u>	<u>45,052</u>
Non-Operating Revenues (Expenses):			
Gain (loss) on sale of capital assets	17,762		(228)
Interest income	65,290	5,359	31,805
	<u>83,052</u>	<u>5,359</u>	<u>31,577</u>
Change in net assets	154,729	(57,803)	76,629
Net Assets, July 1, 2011	<u>9,023,735</u>	<u>611,602</u>	<u>3,199,888</u>
Net Assets, June 30, 2012	<u>\$ 9,178,464</u>	<u>\$ 553,799</u>	<u>\$ 3,276,517</u>

Employee Benefits Fund	Vision/Dental Fund	Disability Program Fund	Workers' Compensation Program Fund	General Liability Program Fund	Totals
\$ 2,874,787	\$ 539,418	\$ 13,419	\$ 673,325 13,000	\$ 400,000	\$ 6,243,052 50,959
<u>2,874,787</u>	<u>539,418</u>	<u>13,419</u>	<u>686,325</u>	<u>400,000</u>	<u>6,294,011</u>
					339,773
14,614			21,688		71,661
					16,672
2,813,558	469,319	80,302	1,099,133	549,134	5,014,806
					476,589
					100,894
					47,652
					982
					705,214
<u>2,828,172</u>	<u>469,319</u>	<u>80,302</u>	<u>1,120,821</u>	<u>549,134</u>	<u>6,774,243</u>
<u>46,615</u>	<u>70,099</u>	<u>(66,883)</u>	<u>(434,496)</u>	<u>(149,134)</u>	<u>(480,232)</u>
					17,534
<u>2,930</u>	<u>2,302</u>	<u>1,051</u>	<u>16,772</u>	<u>4,537</u>	<u>130,046</u>
<u>2,930</u>	<u>2,302</u>	<u>1,051</u>	<u>16,772</u>	<u>4,537</u>	<u>147,580</u>
49,545	72,401	(65,832)	(417,724)	(144,597)	(332,652)
<u>426,743</u>	<u>162,644</u>	<u>123,971</u>	<u>2,433,292</u>	<u>965,089</u>	<u>16,946,964</u>
<u>\$ 476,288</u>	<u>\$ 235,045</u>	<u>\$ 58,139</u>	<u>\$ 2,015,568</u>	<u>\$ 820,492</u>	<u>\$ 16,614,312</u>

CITY OF YUBA CITY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2012

	<u>Vehicle Replacement Fund</u>	<u>Vehicle Maintenance Fund</u>	<u>Technology Replacement Fund</u>
Cash Flows from Operating Activities:			
Receipts from customers	\$ 685,478	\$ 639,290	\$ 483,511
Proceeds from interfund receivable	1,407,044		
Payment to suppliers and users	13,345	(351,628)	(312,093)
Payment to employees		(335,717)	
	<u>2,105,867</u>	<u>(48,055)</u>	<u>171,418</u>
Net Cash Provided (Used) by Operating Activities			
	<u>2,105,867</u>	<u>(48,055)</u>	<u>171,418</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sale of capital assets	22,259		
Acquisition of capital assets	(175,997)		(166,607)
	<u>(153,738)</u>		<u>(166,607)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities			
	<u>(153,738)</u>		<u>(166,607)</u>
Cash Flows from Investing Activities:			
Interest received	65,290	5,359	31,805
	<u>65,290</u>	<u>5,359</u>	<u>31,805</u>
Net Cash Provided (Used) by Investing Activities			
	<u>65,290</u>	<u>5,359</u>	<u>31,805</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,017,419	(42,696)	36,616
Cash and Cash Equivalents, July 1, 2011	<u>5,311,817</u>	<u>491,997</u>	<u>2,842,087</u>
Cash and Cash Equivalents, June 30, 2012	<u>\$ 7,329,236</u>	<u>\$ 449,301</u>	<u>\$ 2,878,703</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 71,677	\$ (63,162)	\$ 45,052
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	567,903	10,063	127,248
(Increase) Decrease in Operating Assets:			
Accounts receivable	29,689	(1,472)	
Inventory		(1,568)	
Prepaid expenses			
Due from other funds	1,407,044		
Increase (Decrease) in Operating Liabilities:			
Accounts payable	29,554	4,028	(882)
Accrued wages		1,494	
Deferred revenue			
Compensated absences		2,562	
	<u>2,105,867</u>	<u>(48,055)</u>	<u>171,418</u>
Net Cash Provided (Used) by Operating Activities			
	<u>\$ 2,105,867</u>	<u>\$ (48,055)</u>	<u>\$ 171,418</u>

Employee Benefits Fund	Vision/ Dental Fund	Disability Program Fund	Workers' Compensation Program Fund	General Liability Program Fund	Totals
\$ 2,884,972	\$ 532,793	\$ 13,419	\$ 686,325	\$ 400,000	\$ 6,325,788
(2,833,890)	(465,720)	(77,304)	(547,871)	(410,919)	1,407,044
					(4,908,776)
					(413,021)
<u>51,082</u>	<u>67,073</u>	<u>(63,885)</u>	<u>138,454</u>	<u>(10,919)</u>	<u>2,411,035</u>
					22,259
					(342,604)
					(320,345)
<u>2,930</u>	<u>2,302</u>	<u>1,051</u>	<u>16,772</u>	<u>4,537</u>	<u>130,046</u>
<u>2,930</u>	<u>2,302</u>	<u>1,051</u>	<u>16,772</u>	<u>4,537</u>	<u>130,046</u>
54,012	69,375	(62,834)	155,226	(6,382)	2,220,736
<u>164,954</u>	<u>169,550</u>	<u>123,971</u>	<u>1,460,714</u>	<u>590,836</u>	<u>11,155,926</u>
<u>\$ 218,966</u>	<u>\$ 238,925</u>	<u>\$ 61,137</u>	<u>\$ 1,615,940</u>	<u>\$ 584,454</u>	<u>\$ 13,376,662</u>
\$ 46,615	\$ 70,099	\$ (66,883)	\$ (434,496)	\$ (149,134)	\$ (480,232)
					705,214
10,085	(6,625)				31,677
(5,678)			575,856	137,968	(1,568)
					708,146
					1,407,044
(40)	3,599	2,998	(2,906)	247	36,598
					1,494
100					100
					2,562
<u>\$ 51,082</u>	<u>\$ 67,073</u>	<u>\$ (63,885)</u>	<u>\$ 138,454</u>	<u>\$ (10,919)</u>	<u>\$ 2,411,035</u>

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CITY OF YUBA CITY

Fiduciary Funds

Private-Purpose Trust Funds are used to account for the Successor Agency funds of the former Redevelopment Agency and are presented in the following two funds:

RDA Low/Mod Successor Agency Private-Purpose Trust Fund – This fund is used to account for the activities related to the former Redevelopment Agency’s low/moderate income housing fund.

RDA Successor Agency Private-Purpose Trust Fund – This fund is used to account for all activities related to the former Redevelopment Agency’s activities that are not already accounted for in the RDA Low/Mod Successor Agency Private-Purpose Trust Fund.

Agency Funds are used to account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the City, acting in the capacity of an agent for distribution to other governmental units or other organizations. The agency funds maintained by the City are divided into the following categories for presentation in this report.

City Trust Fund – This fund is used to account for assets held for employees and outside independent entities in a fiduciary capacity.

Assessment District Funds – These funds are used to account for assets held for independent assessment districts in a fiduciary capacity.

Sunsweet Boulevard CFD Fund – This fund is used to account for assets held for an independent community facilities district in a fiduciary capacity.

Net – 5 Operations Fund – This fund is used to account for assets held for an independent agency in a fiduciary capacity.

Cal-Met Program Fund – This fund is used to account for Net-5 grant funded activity held for an independent agency in a fiduciary capacity.

Flood Control Agency Fund – This fund is used to account for the operating activities of the Sutter-Butte Flood Control Agency.

SBFCA Capital Fund – This fund is used to account for the capital project activities of the Sutter-Butte Flood Control Agency.

CITY OF YUBA CITY
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2012

	RDA Low/Mod Successor Agency Fund	RDA Successor Agency Fund	Totals
Assets:			
Cash and investments	\$ 2,439,797	\$ 507,015	\$ 2,946,812
Cash and investments with fiscal agents		3,281,029	3,281,029
Interest receivable		11	11
Accounts receivable		32,507	32,507
Taxes and assessments receivable		263,217	263,217
Prepaid expenses		272	272
Deposit receivable	9,800		9,800
Deferred charges		466,306	466,306
Notes receivable	3,134,355	230,451	3,364,806
Advances to other trust funds	1,626,817		1,626,817
Capital assets, net of accumulated depreciation	4,824,530	871,886	5,696,416
	<u>\$ 12,035,299</u>	<u>\$ 5,652,694</u>	<u>\$ 17,687,993</u>
Liabilities:			
Accounts payable	\$ -	\$ 6,234	\$ 6,234
Interest payable		657,641	657,641
Advances from other trust funds		1,626,817	1,626,817
Long-term debt, due within one year		587,539	587,539
Long-term debt, due in more than one year		46,034,804	46,034,804
		<u>48,913,035</u>	<u>48,913,035</u>
Net Assets			
Restricted for debt service		2,623,388	2,623,388
Unrestricted	12,035,299	(45,883,729)	(33,848,430)
Total net assets (deficits)	<u>\$ 12,035,299</u>	<u>\$ (43,260,341)</u>	<u>\$ (31,225,042)</u>

CITY OF YUBA CITY
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2012

	RDA Low/Mod Successor Agency Fund	RDA Successor Agency Fund	Totals
Additions:			
Investment revenue	\$ 9,407	\$ 38,225	\$ 47,632
Taxes and assessments		1,640,806	1,640,806
Net assets received upon dissolution of redevelopment agency	12,056,060	(44,193,023)	(32,136,963)
Other revenue	9,800	161,577	171,377
Total additions	12,075,267	(42,352,415)	(30,277,148)
Deductions:			
Administration		53,232	53,232
Community development		475,810	475,810
Contributions to other funds for debt service		377,601	377,601
Depreciation	39,968	1,283	41,251
Total deductions	39,968	907,926	947,894
Change in net assets	12,035,299	(43,260,341)	(31,225,042)
Net Assets - July 1, 2011	_____	_____	_____
Net Assets (Deficit) - June 30, 2012	\$ 12,035,299	\$ (43,260,341)	\$ (31,225,042)

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
June 30, 2012

	City Trust	Garden Highway Assessment District	West Hillcrest Assessment District
Assets:			
Cash and investments	\$ 544,757	\$ -	\$ 92,148
Cash and investments with fiscal agent			
Due from agency fund			
Interest receivable			
Prepaid expenses			
Accounts receivable	18,728		
	<u>18,728</u>		
Total assets	<u>\$ 563,485</u>	<u>\$ -</u>	<u>\$ 92,148</u>
Liabilities:			
Due to agency fund	\$ -	\$ -	\$ -
Accounts payable	3,432		
Accrued liabilities			
Loan payable			
Deposits payable	560,053		92,148
	<u>560,053</u>		<u>92,148</u>
Total liabilities	<u>\$ 563,485</u>	<u>\$ -</u>	<u>\$ 92,148</u>

Ricky Drive Assessment District	Marcia Avenue Assessment District	East Hillcrest Assessment District	Jan Court Assessment District	Butte Vista Assessment District 2000-1	Butte Vista Assessment District 2002-1
\$ -	\$ 15,393	\$ 4,263	\$ -	\$ 112,992 147,781	\$ 127,734 135,725
	869			76 1,657	68 1,678
<u>\$ -</u>	<u>\$ 16,262</u>	<u>\$ 4,263</u>	<u>\$ -</u>	<u>\$ 262,506</u>	<u>\$ 265,205</u>
\$ -	\$ -	\$ -	\$ -	\$ - 56	\$ - 71
	16,262	4,263		262,450	265,134
<u>\$ -</u>	<u>\$ 16,262</u>	<u>\$ 4,263</u>	<u>\$ -</u>	<u>\$ 262,506</u>	<u>\$ 265,205</u>

(Continued)

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
June 30, 2012
(Continued)

	Darrough Assessment District 2003	Tierra Buena Assessment District	Village Green - Del Wayne Assessment District 2003-2	Staple/Ashley/ Dennis/Cornwell Assessment District 2004-1
Assets				
Cash and investments	\$ 42,377	\$ 97,185	\$ 47,028	\$ 9,694
Cash and investments with fiscal agent		389,537		
Due from agency fund				
Interest receivable		199		
Prepaid expenses				
Accounts receivable	562	6,318		3,576
	<u>42,939</u>	<u>493,239</u>	<u>47,028</u>	<u>13,270</u>
Total assets	<u>\$ 42,939</u>	<u>\$ 493,239</u>	<u>\$ 47,028</u>	<u>\$ 13,270</u>
Liabilities:				
Due to agency fund	\$ -	\$ -	\$ -	\$ -
Accounts payable	10	314		
Accrued liabilities				
Loan payable				
Deposits payable	42,929	492,925	47,028	13,270
	<u>42,939</u>	<u>492,925</u>	<u>47,028</u>	<u>13,270</u>
Total liabilities	<u>\$ 42,939</u>	<u>\$ 492,925</u>	<u>\$ 47,028</u>	<u>\$ 13,270</u>

Sunsweet Boulevard CFD	Net-5 Operations	Cal-Met Program	Flood Control Agency	SBFCA Capital	Totals
\$ 196,813	\$ 164,231	\$ -	\$ 1,997,717	\$ 2,279,289	\$ 5,731,621
404,942					1,077,985
	23,470				23,470
191					534
			500		500
	3,006	47,202	1,118,891	3,258,439	4,460,926
<u>\$ 601,946</u>	<u>\$ 190,707</u>	<u>\$ 47,202</u>	<u>\$ 3,117,108</u>	<u>\$ 5,537,728</u>	<u>\$ 11,295,036</u>
\$ -	\$ -	\$ 23,470	\$ -	\$ -	\$ 23,470
	2,901	1,090	38,617	1,847,850	1,894,341
			18,437		18,437
			3,060,054	3,689,878	6,749,932
601,946	187,806	22,642			2,608,856
<u>\$ 601,946</u>	<u>\$ 190,707</u>	<u>\$ 47,202</u>	<u>\$ 3,117,108</u>	<u>\$ 5,537,728</u>	<u>\$ 11,295,036</u>

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
CITY TRUST				
ASSETS				
Cash and investments	\$ 559,951	\$ 13,494	\$ (28,688)	\$ 544,757
Accounts receivable	13,494	18,728	(13,494)	18,728
Due from agency fund				
Total Assets	<u>\$ 573,445</u>	<u>\$ 32,222</u>	<u>\$ (42,182)</u>	<u>\$ 563,485</u>
LIABILITIES				
Accounts payable	\$ 17,063	\$ 3,432	\$ (17,063)	\$ 3,432
Deposits payable	556,382	28,790	(25,119)	560,053
Total Liabilities	<u>\$ 573,445</u>	<u>\$ 32,222</u>	<u>\$ (42,182)</u>	<u>\$ 563,485</u>
GARDEN HIGHWAY ASSESSMENT DISTRICT				
ASSETS				
Cash and investments	\$ 10,951	\$ -	\$ (10,951)	\$ -
Total Assets	<u>\$ 10,951</u>	<u>\$ -</u>	<u>\$ (10,951)</u>	<u>\$ -</u>
LIABILITIES				
Deposits payable	\$ 10,951	\$ -	\$ (10,951)	\$ -
Total Liabilities	<u>\$ 10,951</u>	<u>\$ -</u>	<u>\$ (10,951)</u>	<u>\$ -</u>
WEST HILLCREST ASSESSMENT DISTRICT				
ASSETS				
Cash and investments	\$ 91,630	\$ 1,031	\$ (513)	\$ 92,148
Total Assets	<u>\$ 91,630</u>	<u>\$ 1,031</u>	<u>\$ (513)</u>	<u>\$ 92,148</u>
LIABILITIES				
Deposits payable	\$ 91,630	\$ 1,031	\$ (513)	\$ 92,148
Total Liabilities	<u>\$ 91,630</u>	<u>\$ 1,031</u>	<u>\$ (513)</u>	<u>\$ 92,148</u>

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
RICKY DRIVE ASSESSMENT DISTRICT				
ASSETS				
Cash and investments	\$ 14,762	\$ -	\$ (14,762)	\$ -
Total Assets	<u>\$ 14,762</u>	<u>\$ -</u>	<u>\$ (14,762)</u>	<u>\$ -</u>
LIABILITIES				
Deposits payable	\$ 14,762	\$ -	\$ (14,762)	\$ -
Total Liabilities	<u>\$ 14,762</u>	<u>\$ -</u>	<u>\$ (14,762)</u>	<u>\$ -</u>
MARCIA AVENUE ASSESSMENT DISTRICT				
ASSETS				
Cash and investments	\$ 13,330	\$ 7,700	\$ (5,637)	\$ 15,393
Accounts receivable		869		869
Total Assets	<u>\$ 13,330</u>	<u>\$ 8,569</u>	<u>\$ (5,637)</u>	<u>\$ 16,262</u>
LIABILITIES				
Deposits payable	\$ 13,330	\$ 8,569	\$ (5,637)	\$ 16,262
Total Liabilities	<u>\$ 13,330</u>	<u>\$ 8,569</u>	<u>\$ (5,637)</u>	<u>\$ 16,262</u>
EAST HILLCREST ASSESSMENT DISTRICT				
ASSETS				
Cash and investments	\$ 4,069	\$ 7,240	\$ (7,046)	\$ 4,263
Total Assets	<u>\$ 4,069</u>	<u>\$ 7,240</u>	<u>\$ (7,046)</u>	<u>\$ 4,263</u>
LIABILITIES				
Deposits payable	\$ 4,069	\$ 7,240	\$ (7,046)	\$ 4,263
Total Liabilities	<u>\$ 4,069</u>	<u>\$ 7,240</u>	<u>\$ (7,046)</u>	<u>\$ 4,263</u>
JAN COURT ASSESSMENT DISTRICT				
ASSETS				
Cash and investments	\$ 5,939	\$ -	\$ (5,939)	\$ -
Total Assets	<u>\$ 5,939</u>	<u>\$ -</u>	<u>\$ (5,939)</u>	<u>\$ -</u>
LIABILITIES				
Deposits payable	\$ 5,939	\$ -	\$ (5,939)	\$ -
Total Liabilities	<u>\$ 5,939</u>	<u>\$ -</u>	<u>\$ (5,939)</u>	<u>\$ -</u>

(Continued)

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
BUTTE VISTA ASSESSMENT DISTRICT 2000-1				
ASSETS				
Cash and investments	\$ 111,140	\$ 96,973	\$ (95,121)	\$ 112,992
Cash and investments with fiscal agent	143,983	3,798		147,781
Interest receivable	107	76	(107)	76
Accounts receivable	5,391	1,657	(5,391)	1,657
	<u>260,621</u>	<u>102,504</u>	<u>(100,619)</u>	<u>262,506</u>
Total Assets	<u>\$ 260,621</u>	<u>\$ 102,504</u>	<u>\$ (100,619)</u>	<u>\$ 262,506</u>
LIABILITIES				
Accounts payable	\$ 127	\$ 56	\$ (127)	\$ 56
Deposits payable	260,494	102,448	(100,492)	262,450
	<u>260,621</u>	<u>102,504</u>	<u>(100,619)</u>	<u>262,506</u>
Total Liabilities	<u>\$ 260,621</u>	<u>\$ 102,504</u>	<u>\$ (100,619)</u>	<u>\$ 262,506</u>
BUTTE VISTA ASSESSMENT DISTRICT 2002-1				
ASSETS				
Cash and investments	\$ 126,427	\$ 88,983	\$ (87,676)	\$ 127,734
Cash and investments with fiscal agent	134,291	1,434		135,725
Interest receivable	97	68	(97)	68
Accounts receivable	1,491	1,678	(1,491)	1,678
	<u>262,306</u>	<u>92,163</u>	<u>(89,264)</u>	<u>265,205</u>
Total Assets	<u>\$ 262,306</u>	<u>\$ 92,163</u>	<u>\$ (89,264)</u>	<u>\$ 265,205</u>
LIABILITIES				
Accounts payable	\$ 138	\$ 71	\$ (138)	\$ 71
Deposits payable	262,168	92,092	(89,126)	265,134
	<u>262,306</u>	<u>92,163</u>	<u>(89,264)</u>	<u>265,205</u>
Total Liabilities	<u>\$ 262,306</u>	<u>\$ 92,163</u>	<u>\$ (89,264)</u>	<u>\$ 265,205</u>
DARROUGH ASSESSMENT DISTRICT 2003				
ASSETS				
Cash and investments	\$ 41,908	\$ 15,814	\$ (15,345)	\$ 42,377
Accounts receivable	140	562	(140)	562
	<u>42,048</u>	<u>16,376</u>	<u>(15,485)</u>	<u>42,939</u>
Total Assets	<u>\$ 42,048</u>	<u>\$ 16,376</u>	<u>\$ (15,485)</u>	<u>\$ 42,939</u>
LIABILITIES				
Accounts payable	\$ 35	\$ 10	\$ (35)	\$ 10
Deposits payable	42,013	16,366	(15,450)	42,929
	<u>42,048</u>	<u>16,376</u>	<u>(15,485)</u>	<u>42,939</u>
Total Liabilities	<u>\$ 42,048</u>	<u>\$ 16,376</u>	<u>\$ (15,485)</u>	<u>\$ 42,939</u>

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
TIERRA BUENA ASSESSMENT DISTRICT				
ASSETS				
Cash and investments	\$ 88,933	\$ 262,295	\$ (254,043)	\$ 97,185
Cash and investments with fiscal agent	390,395		(858)	389,537
Interest receivable	269	199	(269)	199
Accounts receivable	3,001	6,318	(3,001)	6,318
	<u>482,598</u>	<u>268,812</u>	<u>(258,171)</u>	<u>493,239</u>
Total Assets	<u>\$ 482,598</u>	<u>\$ 268,812</u>	<u>\$ (258,171)</u>	<u>\$ 493,239</u>
LIABILITIES				
Accounts payable	\$ 638	\$ 314	\$ (638)	\$ 314
Deposits payable	481,960	268,498	(257,533)	492,925
	<u>482,598</u>	<u>268,812</u>	<u>(258,171)</u>	<u>493,239</u>
Total Liabilities	<u>\$ 482,598</u>	<u>\$ 268,812</u>	<u>\$ (258,171)</u>	<u>\$ 493,239</u>
VILLAGE GREEN - DEL WAYNE ASSESSMENT DISTRICT 2003-2				
ASSETS				
Cash and investments	\$ 44,026	\$ 41,464	\$ (38,462)	\$ 47,028
	<u>44,026</u>	<u>41,464</u>	<u>(38,462)</u>	<u>47,028</u>
Total Assets	<u>\$ 44,026</u>	<u>\$ 41,464</u>	<u>\$ (38,462)</u>	<u>\$ 47,028</u>
LIABILITIES				
Deposits payable	\$ 44,026	\$ 41,464	\$ (38,462)	\$ 47,028
	<u>44,026</u>	<u>41,464</u>	<u>(38,462)</u>	<u>47,028</u>
Total Liabilities	<u>\$ 44,026</u>	<u>\$ 41,464</u>	<u>\$ (38,462)</u>	<u>\$ 47,028</u>
STAPLE/ASHLEY/DENNIS/CORNWELL ASSESSMENT DISTRICT 2004-1				
ASSETS				
Cash and investments	\$ 5,254	\$ 28,848	\$ (24,408)	\$ 9,694
Accounts receivable	541	3,576	(541)	3,576
	<u>5,795</u>	<u>32,424</u>	<u>(24,949)</u>	<u>13,270</u>
Total Assets	<u>\$ 5,795</u>	<u>\$ 32,424</u>	<u>\$ (24,949)</u>	<u>\$ 13,270</u>
LIABILITIES				
Accounts payable	\$ 2,180	\$ -	\$ (2,180)	\$ -
Deposits payable	3,615	32,424	(22,769)	13,270
	<u>5,795</u>	<u>32,424</u>	<u>(24,949)</u>	<u>13,270</u>
Total Liabilities	<u>\$ 5,795</u>	<u>\$ 32,424</u>	<u>\$ (24,949)</u>	<u>\$ 13,270</u>
SUNSWEEP BOULEVARD CFD				
ASSETS				
Cash and investments	\$ 270,675	\$ 199,107	\$ (272,969)	\$ 196,813
Cash and investments with fiscal agent	218,573	186,369		404,942
Interest receivable	259	191	(259)	191
Accounts receivable	109,600		(109,600)	
	<u>599,107</u>	<u>385,667</u>	<u>(382,828)</u>	<u>601,946</u>
Total Assets	<u>\$ 599,107</u>	<u>\$ 385,667</u>	<u>\$ (382,828)</u>	<u>\$ 601,946</u>
LIABILITIES				
Accounts payable	\$ 1,630	\$ -	\$ (1,630)	\$ -
Deposits payable	597,477	385,667	(381,198)	601,946
	<u>599,107</u>	<u>385,667</u>	<u>(382,828)</u>	<u>601,946</u>
Total Liabilities	<u>\$ 599,107</u>	<u>\$ 385,667</u>	<u>\$ (382,828)</u>	<u>\$ 601,946</u>

(Continued)

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
NET-5 OPERATIONS				
ASSETS				
Cash and investments	\$ 82,517	\$ 182,139	\$ (100,425)	\$ 164,231
Due from agency fund	54,492	23,470	(54,492)	23,470
Accounts receivable	4	3,006	(4)	3,006
Total Assets	<u>\$ 137,013</u>	<u>\$ 208,615</u>	<u>\$ (154,921)</u>	<u>\$ 190,707</u>
LIABILITIES				
Accounts payable	\$ 23,648	\$ 2,901	\$ (23,648)	\$ 2,901
Deposits payable	113,365	205,714	(131,273)	187,806
Total Liabilities	<u>\$ 137,013</u>	<u>\$ 208,615</u>	<u>\$ (154,921)</u>	<u>\$ 190,707</u>
CAL-MET PROGRAM				
ASSETS				
Accounts receivable	\$ 76,640	\$ 47,202	\$ (76,640)	\$ 47,202
Total Assets	<u>\$ 76,640</u>	<u>\$ 47,202</u>	<u>\$ (76,640)</u>	<u>\$ 47,202</u>
LIABILITIES				
Due to agency fund	\$ 54,492	\$ 23,470	\$ (54,492)	\$ 23,470
Accounts payable	9,024	1,090	(9,024)	1,090
Deposits payable	13,124	22,642	(13,124)	22,642
Total Liabilities	<u>\$ 76,640</u>	<u>\$ 47,202</u>	<u>\$ (76,640)</u>	<u>\$ 47,202</u>
FLOOD CONTROL AGENCY				
ASSETS				
Cash and investments	\$ 1,446,665	\$ 4,003,715	\$ (3,452,663)	\$ 1,997,717
Prepaid expenses		500		500
Accounts receivable	4,577,942	1,118,891	(4,577,942)	1,118,891
Total Assets	<u>\$ 6,024,607</u>	<u>\$ 5,123,106</u>	<u>\$ (8,030,605)</u>	<u>\$ 3,117,108</u>
LIABILITIES				
Accounts payable	\$ 23,742	\$ 38,617	\$ (23,742)	\$ 38,617
Accrued liabilities		18,437		18,437
Loan payable	6,000,865		(2,940,811)	3,060,054
Deposits payable		5,066,052	(5,066,052)	
Total Liabilities	<u>\$ 6,024,607</u>	<u>\$ 5,123,106</u>	<u>\$ (8,030,605)</u>	<u>\$ 3,117,108</u>
SBFCA CAPITAL				
ASSETS				
Cash and investments	\$ 3,739,986	\$ 15,767,028	\$ (17,227,725)	\$ 2,279,289
Accounts receivable	161,949	3,258,439	(161,949)	3,258,439
Total Assets	<u>\$ 3,901,935</u>	<u>\$ 19,025,467</u>	<u>\$ (17,389,674)</u>	<u>\$ 5,537,728</u>
LIABILITIES				
Accounts payable	\$ 888,105	\$ 1,847,850	\$ (888,105)	\$ 1,847,850
Loan payable		3,689,878		3,689,878
Deposits payable	3,013,830	13,487,739	(16,501,569)	
Total Liabilities	<u>\$ 3,901,935</u>	<u>\$ 19,025,467</u>	<u>\$ (17,389,674)</u>	<u>\$ 5,537,728</u>

CITY OF YUBA CITY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 6,658,163	\$ 20,715,831	\$ (21,642,373)	\$ 5,731,621
Cash and investments with fiscal agent	887,242	191,601	(858)	1,077,985
Due from agency fund	54,492	23,470	(54,492)	23,470
Interest receivable	732	534	(732)	534
Prepaid expenses		500		500
Accounts receivable	4,950,193	4,460,926	(4,950,193)	4,460,926
	<u>4,950,193</u>	<u>4,460,926</u>	<u>(4,950,193)</u>	<u>4,460,926</u>
Total Assets	<u>\$ 12,550,822</u>	<u>\$ 25,392,862</u>	<u>\$ (26,648,648)</u>	<u>\$ 11,295,036</u>
LIABILITIES				
Due to agency fund	\$ 54,492	\$ 23,470	\$ (54,492)	\$ 23,470
Accounts payable	966,330	1,894,341	(966,330)	1,894,341
Accrued liabilities		18,437		18,437
Loan payable	6,000,865	3,689,878	(2,940,811)	6,749,932
Deposits payable	5,529,135	19,766,736	(22,687,015)	2,608,856
	<u>5,529,135</u>	<u>19,766,736</u>	<u>(22,687,015)</u>	<u>2,608,856</u>
Total Liabilities	<u>\$ 12,550,822</u>	<u>\$ 25,392,862</u>	<u>\$ (26,648,648)</u>	<u>\$ 11,295,036</u>

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CITY OF YUBA CITY STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information in a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

• Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

• Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

• Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

• Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

• Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

CITY OF YUBA CITY
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Governmental Activities				
Invested In Capital Assets, net of related debt	\$ 18,012,834	\$ 27,740,167	\$ 18,162,443	\$ 25,793,897
Restricted	6,062,127	6,007,497	4,741,946	16,552,036
Unrestricted	18,294,769	17,752,933	43,119,246	30,678,331
Total Governmental Activities Net Assets	\$ 42,369,730	\$ 51,500,597	\$ 66,023,635	\$ 73,024,264
Business-Type Activities				
Invested In Capital Assets, net of related debt	\$ 22,663,423	\$ 36,771,797	\$ 53,889,915	\$ 48,346,102
Restricted	614,250	614,250	762,967	762,967
Unrestricted	30,662,845	25,507,906	25,259,121	37,874,324
Total Business-Type Activities Net Assets	\$ 53,940,518	\$ 62,893,953	\$ 79,912,003	\$ 86,983,393
Primary Government				
Invested In Capital Assets, net of related debt	\$ 40,676,257	\$ 64,511,964	\$ 72,052,358	\$ 74,139,999
Restricted	6,676,377	6,621,747	5,504,913	17,315,003
Unrestricted	48,957,614	43,260,839	68,378,367	68,552,655
Total Primary Government Net Assets	\$ 96,310,248	\$ 114,394,550	\$ 145,935,638	\$ 160,007,657

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002/2003. The City implemented retroactive reporting of infrastructure in fiscal year 2006/2007.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal Year

2007	2008	2009	2010	2011	2012
\$ 398,797,672	\$ 403,278,221	\$ 403,377,779	\$ 402,012,636	\$ 396,981,908	\$ 419,160,425
26,188,402	32,249,323	29,786,112	33,415,439	28,759,126	26,619,342
10,968,014	22,227,025	21,847,750	17,490,649	25,320,209	33,828,556
<u>\$ 435,954,088</u>	<u>\$ 457,754,569</u>	<u>\$ 455,011,641</u>	<u>\$ 452,918,724</u>	<u>\$ 451,061,243</u>	<u>\$ 479,608,323</u>
\$ 141,461,866	\$ 145,579,890	\$ 144,507,456	\$ 155,334,486	\$ 151,195,721	\$ 135,862,972
762,967	762,967	448,717	3,206,069	2,371,293	1,596,243
28,969,981	28,952,704	27,368,372	14,013,290	15,566,305	27,262,871
<u>\$ 171,194,814</u>	<u>\$ 175,295,561</u>	<u>\$ 172,324,545</u>	<u>\$ 172,553,845</u>	<u>\$ 169,133,319</u>	<u>\$ 164,722,086</u>
\$ 540,259,538	\$ 548,858,111	\$ 547,885,235	\$ 557,347,122	\$ 548,177,629	\$ 555,023,397
26,951,369	33,012,290	30,234,829	36,621,508	31,130,419	28,215,585
39,937,995	51,179,729	49,216,122	31,503,939	40,886,514	61,091,427
<u>\$ 607,148,902</u>	<u>\$ 633,050,130</u>	<u>\$ 627,336,186</u>	<u>\$ 625,472,569</u>	<u>\$ 620,194,562</u>	<u>\$ 644,330,409</u>

CITY OF YUBA CITY
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental Activities				
General government	\$ 4,690,193	\$ 4,915,935	\$ 4,374,806	\$ 4,961,963
Public safety	11,103,416	13,310,227	15,739,089	17,342,884
Parks and recreation	2,421,961	2,983,167	2,879,858	3,287,171
Public works and facilities	2,780,827	2,804,148	3,261,043	4,450,059
Community development	1,604,772	1,661,702	3,934,728	3,930,166
Interest on long-term debt	1,974,712	2,025,268	2,669,496	3,007,720
Total Governmental Activities Expenses	24,575,881	27,700,447	32,859,020	36,979,963
Business-Type Activities				
Water	4,743,117	5,003,127	5,136,621	6,620,198
Wastewater	6,847,062	6,396,021	7,409,572	9,045,282
Total Business-Type Activities Expenses	11,590,179	11,399,148	12,546,193	15,665,480
Total Primary Government Net Expenses	\$ 36,166,060	\$ 39,099,595	\$ 45,405,213	\$ 52,645,443
Program Revenues				
Governmental Activities				
Charges for Services				
General government	\$ 895,573	\$ 520,408	\$ 715,587	\$ 710,437
Public safety	1,306,983	1,416,699	1,474,532	1,299,653
Parks and recreation	647,921	959,178	1,161,026	1,253,188
Public works and facilities	3,187,879	2,351,483	4,344,153	1,677,018
Community development		2,169,256	2,586,062	1,665,665
Operating Contributions and Grants	1,859,452	3,009,326	2,435,938	2,801,619
Capital Contributions and Grants	1,034,937	1,303,315	2,515,181	1,089,792
Total Governmental Activities Program Revenues	8,932,745	11,729,665	15,232,479	10,497,372
Business-Type Activities				
Charges for Services				
Water	7,356,855	10,395,107	14,975,662	12,530,784
Wastewater	7,787,553	10,731,002	11,589,788	10,986,322
Operating Contributions and Grants			4,550,414	
Capital Contributions and Grants				
Total Business-Type Activities Program Revenues	15,144,408	21,126,109	31,115,864	23,517,106
Total Primary Government Program Revenues	\$ 24,077,153	\$ 32,855,774	\$ 46,348,343	\$ 34,014,478

Source: Comprehensive Annual Financial Reports - City of Yuba, California

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 5,196,149	\$ 5,363,212	\$ 5,176,267	\$ 4,779,423	\$ 4,320,708	\$ 4,016,418
20,685,388	23,282,357	24,688,420	23,727,230	23,298,449	24,602,053
3,825,886	4,113,957	4,054,318	3,619,636	2,039,732	2,352,919
9,832,488	10,417,186	11,203,066	12,561,736	13,746,466	14,378,965
5,228,659	3,900,994	3,612,257	4,876,451	3,466,209	1,837,460
3,979,112	5,337,470	5,644,530	5,832,196	3,186,505	2,963,697
48,747,682	52,415,176	54,378,858	55,396,672	50,058,069	50,151,512
8,618,468	9,706,835	9,938,304	9,758,320	9,819,001	10,785,207
9,585,377	9,749,245	9,797,636	9,746,836	9,865,739	10,051,516
18,203,845	19,456,080	19,735,940	19,505,156	19,684,740	20,836,723
\$ 66,951,527	\$ 71,871,256	\$ 74,114,798	\$ 74,901,828	\$ 69,742,809	\$ 70,988,235
\$ 736,964	\$ 993,453	\$ 27,482	\$ 24,097	\$ 18,203	\$ 74,070
1,850,442	1,891,045	2,710,690	2,355,913	2,502,798	2,376,915
1,391,504	1,142,165	1,446,139	1,237,924	1,223,333	1,202,537
7,636,006	587,212	475,349	497,209	396,971	419,187
1,100,788	1,723,654	1,304,404	940,205	920,703	932,856
4,279,532	3,800,202	3,488,022	3,814,256	3,354,619	3,582,211
1,598,196	18,809,192	6,728,478	9,550,250	8,344,346	4,514,869
18,593,432	28,946,923	16,180,564	18,419,854	16,760,973	13,102,645
10,334,839	9,237,474	8,629,300	8,653,769	8,824,154	9,592,893
9,515,078	9,695,363	9,054,820	9,353,229	9,523,380	9,745,996
166,030		51,196	3,810,219	499,259	68,186
166,030	773,751	448,415	523,868		
20,181,977	19,706,588	18,183,731	22,341,085	18,846,793	19,407,075
\$ 38,775,409	\$ 48,653,511	\$ 34,364,295	\$ 40,760,939	\$ 35,607,766	\$ 32,509,720

CITY OF YUBA CITY
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Net (Expense)/Revenue				
Governmental Activities	\$ (15,643,136)	\$ (15,970,782)	\$ (17,626,541)	\$ (26,482,591)
Business-Type Activities	3,554,229	9,726,961	18,569,671	7,851,626
Total Primary Government Net Expense	(12,088,907)	(6,243,821)	943,130	(18,630,965)
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes				
Secured and unsecured property taxes	5,422,073	6,858,486	12,038,440	15,379,341
Sales and use taxes	8,409,524	8,555,594	7,572,037	9,133,964
Transient lodging taxes	531,288	549,938	558,236	584,771
Franchise taxes	915,657	1,031,819	1,111,651	1,264,092
Other and public service taxes	197,554	277,735	430,399	367,687
Grants and Contributions - Unrestricted	2,831,220	2,282,332	1,414,503	395,439
Interest and Investment Earnings	2,033,927	1,942,486	2,689,592	4,260,089
Miscellaneous	661,832	1,069,668	467,851	409,790
Sale of capital assets	2,083		3,466,483	
Transfers	1,849,314	2,294,924	2,285,892	2,229,069
Total Governmental Activities	22,854,472	24,862,982	32,035,084	34,024,242
Business-Type Activities				
Interest and Investment Earnings	948,518	470,276	734,271	1,718,768
Sale of capital assets				
Transfers	(1,849,314)	(2,294,924)	(2,285,892)	(2,229,069)
Total Business-Type Activities	(900,796)	(1,824,648)	(1,551,621)	(510,301)
Total Primary Government	21,953,676	23,038,334	30,483,463	33,513,941
Change in Net Assets				
Governmental Activities	7,211,336	8,892,200	14,408,543	7,541,651
Business-Type Activities	2,653,433	7,902,313	17,018,050	7,341,325
Total Primary Government	\$ 9,864,769	\$ 16,794,513	\$ 31,426,593	\$ 14,882,976

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002/03.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ (30,154,250)	\$ (23,468,253)	\$ (38,198,294)	\$ (36,976,818)	\$ (33,297,096)	\$ (37,048,867)
1,978,132	250,508	(1,552,209)	2,835,929	(837,947)	(1,429,648)
(28,176,118)	(23,217,745)	(39,750,503)	(34,140,889)	(34,135,043)	(38,478,515)
17,976,967	18,211,784	17,946,109	17,216,421	16,616,162	14,258,572
7,700,082	7,593,904	6,759,997	7,009,127	7,261,010	7,797,443
664,856	744,133	648,209	530,582	651,970	637,662
1,377,674	1,374,274	1,431,844	1,357,607	1,351,524	1,454,956
238,980	1,008,694	960,949	864,948	926,680	904,052
369,722	313,876	238,821	209,236	295,509	32,438
5,531,403	6,666,935	5,006,289	4,193,845	928,351	757,501
728,673	506,607	7,062	244,794	516,964	1,038,920
	100,535	25,815			
3,639,983	1,733,485	2,727,978	3,035,849	2,891,445	3,286,481
38,228,340	38,254,227	35,753,073	34,662,409	31,439,615	30,168,025
1,560,862	1,774,540	1,309,171	429,220	308,866	304,896
	(912)				
(3,639,983)	(1,733,485)	(2,727,978)	(3,035,849)	(2,891,445)	(3,286,481)
(2,079,121)	40,143	(1,418,807)	(2,606,629)	(2,582,579)	(2,981,585)
36,149,219	38,294,370	34,334,266	32,055,780	28,857,036	27,186,440
8,074,090	14,785,974	(2,445,221)	(2,314,409)	(1,857,481)	(6,880,842)
(267,019)	290,651	(2,971,016)	229,300	(3,420,526)	(4,411,233)
\$ 7,807,071	\$ 15,076,625	\$ (5,416,237)	\$ (2,085,109)	\$ (5,278,007)	\$ (11,292,075)

CITY OF YUBA CITY
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
General Fund					
Reserved	\$ 13,924,397	\$ 15,238,937	\$ 16,726,502	\$ 18,325,351	\$ 20,508,445
Unreserved	2,885,370	2,802,419	3,268,359	3,486,687	3,833,519
Total General Fund	\$16,809,767	\$18,041,356	\$19,994,861	\$21,812,038	\$24,341,964
All Other Governmental Funds					
Reserved	\$ 2,379,225	\$ 3,141,676	\$ 7,493,464	\$ 6,457,399	\$ 7,779,152
Unreserved, Reported In:					
Special Revenue Funds	4,523,185	3,250,205	(70,525)	5,351,375	6,174,368
Debt Service Funds	41,914	(14,936,066)	(16,467,034)	(18,139,942)	(19,953,937)
Capital Projects Funds	6,057,742	8,031,101	6,367,180	24,426,922	20,992,418
Total All Other Governmental Funds	13,002,066	(513,084)	(2,676,915)	18,095,754	14,992,001
Total Governmental Funds	\$29,811,833	\$17,528,272	\$17,317,946	\$39,907,792	\$39,333,965

General Fund
 Nonspendable
 Committed
 Unassigned

Total General Fund

All Other Governmental Funds
 Nonspendable
 Restricted
 Committed
 Assigned
 Unassigned

Total All Other Governmental Funds

Total Governmental Funds

* GASB 54 implemented in fiscal year 10/11

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal Year					
2007	2008	2009	2010	2011*	2012
\$ 22,364,092	\$ 24,558,967	\$ 26,888,182	\$ 29,609,352		
4,033,423	3,881,024	5,465,445	4,958,082		
<u>\$26,397,515</u>	<u>\$28,439,991</u>	<u>\$32,353,627</u>	<u>\$34,567,434</u>		
\$ 28,249,617	\$ 29,430,138	\$ 13,583,533	\$ 13,439,946		
23,093,007	13,359,772	5,783,782	4,902,184		
(20,904,593)	(24,144,263)	(26,558,689)	(29,214,558)		
8,536,048	9,231,060	17,534,282	13,109,881		
<u>38,974,079</u>	<u>27,876,707</u>	<u>10,342,908</u>	<u>2,237,453</u>		
<u>\$65,371,594</u>	<u>\$56,316,698</u>	<u>\$42,696,535</u>	<u>\$36,804,887</u>		

\$ 18,577,928	\$ 11,036,331
4,675,251	4,252,629
<u>3,629,782</u>	<u>3,967,340</u>

<u>26,882,961</u>	<u>19,256,300</u>
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272	
14,430,465	9,324,531
13,968,017	12,167,982
161,996	
<u>(18,873,149)</u>	<u>(263,157)</u>

<u>9,687,601</u>	<u>21,229,356</u>
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<u>\$ 36,570,562</u>	<u>\$ 40,485,656</u>
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CITY OF YUBA CITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Revenues					
Taxes and Assessments	\$ 15,826,615	\$ 17,510,350	\$ 19,190,073	\$ 20,988,616	\$ 28,383,087
Licenses, Permits and Fees	1,375,894	1,759,227	2,682,272	3,599,183	1,921,772
Fines and Forfeitures	313,902	400,176	462,268	502,645	455,367
Use of Money and Property	1,964,663	1,912,404	1,860,369	2,673,731	3,946,664
Intergovernmental Revenues	5,481,368	4,868,529	5,741,581	7,244,922	3,320,112
Charges for Services	1,542,343	2,587,414	3,299,899	4,928,119	2,760,809
Other Revenue	1,747,854	663,413	995,979	1,525,897	409,790
Total Revenues	28,252,639	29,701,513	34,232,441	41,463,113	41,197,601
Expenditures					
Current					
General Government	3,667,037	4,550,798	4,807,359	4,156,553	4,620,359
Public Safety	9,826,998	10,612,894	12,597,055	14,969,069	16,828,712
Parks and Recreation	2,145,350	2,377,992	2,875,780	2,794,846	3,148,167
Public works and facilities	2,185,593	2,569,003	2,428,857	2,723,586	3,875,836
Community Development	2,106,061	1,604,026	1,659,113	3,925,128	3,908,345
Pension expenditures					
Debt Service					
Principal Retirement	1,154,043	592,821	720,191	1,334,439	333,908
Interest and Fiscal Charges	1,201,042	1,892,443	2,024,618	2,584,336	3,010,277
Bond Issue Cost					
Capital Outlay	5,016,659	4,472,735	10,238,565	4,066,608	7,319,763
Total Expenditures	27,302,783	28,672,712	37,351,538	36,554,565	43,045,367
Excess of Revenues Over (Under) Expenditures	949,856	1,028,801	(3,119,097)	4,908,548	(1,847,766)
Other Financing Sources (Uses)					
Transfers In	12,190,787	10,492,198	13,136,785	21,239,271	11,514,364
Transfers Out	(11,460,162)	(10,322,906)	(11,283,861)	(19,755,741)	(9,553,285)
Issuance of debt	1,238,982	147,163	1,055,847		
Sales of Property				3,466,483	
Refunding Bond Proceeds				20,690,000	
Payments to Refunding Agents				(8,073,210)	
Loan Proceeds					
Certificates of Participation Issued					
Tax Allocation Bond Issued					
Premium on Tax Allocation Bond					
Total Other Financing Sources (Uses)	1,969,607	316,455	2,908,771	17,566,803	1,961,079
Extraordinary Item					
Net Change In Fund Balances	\$2,919,463	\$1,345,256	(\$210,326)	\$22,475,351	\$113,313
Debt Service as a percentage of non-capital expenditures¹	11.8%	11.4%	11.3%	13.7%	10.3%

¹For 2008, 2009, 2010, 2011, and 2012 the debt service as a percentage of noncapital expenditures was calculated by excluding the capital outlay expenditure amount from the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal Year					
2007	2008	2009	2010	2011	2012
\$ 30,457,191	\$ 30,845,525	\$ 30,417,648	\$ 28,563,525	\$ 31,388,057	\$ 28,723,364
1,181,053	1,353,822	764,696	761,033	724,090	573,925
639,271	815,815	677,402	490,881	483,956	421,957
5,181,876	6,106,793	4,552,206	3,801,345	658,589	540,838
3,817,490	5,329,618	3,433,937	8,043,366	4,173,926	2,481,818
9,295,190	5,294,303	6,803,599	5,620,730	6,633,906	4,881,860
868,266	529,093	590,307	1,207,407	809,902	3,417,534
51,440,337	50,274,969	47,239,795	48,488,287	44,872,426	41,041,296
5,014,327	5,152,199	4,858,367	4,354,742	3,403,128	3,534,513
20,023,229	22,847,118	23,674,889	23,163,001	22,857,469	22,848,034
3,659,681	3,955,688	3,878,488	3,628,957	1,989,822	2,047,812
3,793,741	3,382,147	3,173,448	3,681,891	5,265,598	4,612,500
5,236,196	3,673,956	3,806,050	5,578,721	4,218,060	2,216,260
7,498,612					
384,874	1,059,894	1,811,502	1,931,391	2,037,244	2,154,096
3,669,126	5,011,466	5,582,117	5,746,734	3,107,770	2,928,812
1,270,865					
16,128,372	22,118,800	16,803,075	9,330,347	7,858,187	5,505,424
66,679,023	67,201,268	63,587,936	57,415,784	50,737,278	45,847,451
(15,238,686)	(16,926,299)	(16,348,141)	(8,927,497)	(5,864,852)	(4,806,155)
24,040,452	49,398,274	22,406,863	24,505,212	24,888,036	13,915,016
(20,707,525)	(47,850,239)	(19,678,885)	(21,469,363)	(19,257,509)	(10,628,535)
	6,323,368				
7,685,000					
1,522,332					
12,500,000					
16,000,000					
236,056					
41,276,315	7,871,403	2,727,978	3,035,849	5,630,527	3,286,481
					5,434,768
\$26,037,629	(\$9,054,896)	(\$13,620,163)	(\$5,891,648)	(\$234,325)	\$3,915,094
14.1%	15.6%	15.8%	18.9%	13.6%	14.4%

CITY OF YUBA CITY
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Less: Tax-Exempt Real Property	Total Taxable Assessed Value ¹	Total Direct Tax Rate
2003	\$ 1,929,176,080	\$ 263,553,493	\$ 51,538,396	\$ 2,141,191,177	1.03840%
2004	2,196,686,176	346,089,378	93,317,063	2,449,458,491	1.03500%
2005	2,519,998,779	382,843,841	113,871,122	2,788,971,498	1.08250%
2006	3,291,827,504	344,080,281	134,077,257	3,501,830,528	1.06380%
2007	3,976,368,405	393,419,411	135,691,517	4,234,096,299	1.06840%
2008	4,362,825,195	398,556,414	148,818,949	4,612,562,660	1.07670%
2009	4,620,231,165	383,764,855	268,912,438	4,735,083,582	1.07503%
2010	4,476,330,929	395,589,268	289,743,659	4,582,176,538	1.11124%
2011	4,415,273,244	344,409,082	314,536,993	4,445,145,333	1.09676%
2012	4,469,891,529	358,543,219	336,512,532	4,491,922,216	1.10541%

¹ Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value as it appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect:

- a) annual inflation up to 2 percent
- b) current market value at time of ownership change;
- c) market value for new construction

Note: Estimated actual value of taxable property cannot easily be determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes.

Source: Sutter County Tax Collector/Treasurer

CITY OF YUBA CITY
DIRECT AND OVERLAPPING PROPERTY TAX RATES¹
LAST TEN FISCAL YEARS

Fiscal Year	County Direct Rate ²	Yuba City Unified and Community College Bond	Field Bond	Total Rate
2003	1.00000	0.03840	-	1.03840
2004	1.00000	0.03500	-	1.03500
2005	1.00000	0.08250	-	1.08250
2006	1.00000	0.06380	-	1.06380
2007	1.00000	0.06840	-	1.06840
2008	1.00000	0.07670	-	1.07670
2009	1.00000	0.07503	-	1.07503
2010	1.00000	0.11124	-	1.11124
2011	1.00000	0.09676	-	1.09676
2012	1.00000	0.10541	-	1.10541

¹ On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, that limits the taxing power of California public agencies. Legislation to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that notwithstanding any other law, local agencies may not levy property taxes except to pay debt service on indebtedness approved by voters prior to July 1, 1978 or on bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the voting public.

² Proposition 13 allows each county to levy a maximum of \$1 per \$100 of full cash value. Full cash value is equivalent to assessed value pursuant to Statutes of 1978, Senate Bill 1656.

Source: Sutter County Auditor-Controller

CITY OF YUBA CITY
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2012			Fiscal Year 2003		
	Taxable Assessed Value ¹	Percent Of Total Assessed Valuation	Rank	Taxable Assessed Value ¹	Percent Of Total Assessed Valuation	Rank
Sunsweet Growers Inc.	\$ 70,815,254	1.65%	1	\$ 54,445,935	2.25%	2
Wal Mart Stores Inc./Sam's West	40,045,904	0.94%	2	19,838,497	0.82%	9
Miravista LLC	38,692,750	0.90%	3	-	0.00%	
Yuba City Company - Generation LP	37,639,553	0.88%	4	50,568,224	2.09%	3
Steadfast Yuba City I LLC	37,561,712	0.88%	5	-	0.00%	
Greenleaf Unit Two Associates	34,909,706	0.82%	6	42,292,420	1.75%	4
Comcast of Northern California	31,512,395	0.74%	7	-	0.00%	
Twin Cities Hospital Properties LP	30,311,191	0.71%	8	-	0.00%	
Feather River Energy Center LLC	26,052,587	0.61%	9	-	0.00%	
Yuba City Energy Center LLC	21,451,904	0.50%	10	-	0.00%	
Fremont Medical Center				59,882,661	2.47%	1
City of Yuba City				40,095,699	1.66%	5
Mediaone of Northern California				29,641,055	1.23%	6
Yuba Plaza Associates Limited				23,391,053	0.97%	7
Sutter County				22,917,805	0.95%	8
Butte House Bel Air Investors				17,728,347	0.73%	10
	<u>\$ 368,992,956</u>	<u>8.62%</u>		<u>\$ 360,801,696</u>	<u>14.91%</u>	

¹ Taxable assessed value includes tax assessments on real and personal properties.

Source: Sutter County Auditor-Controller

CITY OF YUBA CITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year			Collections within the Fiscal Year of the Levy	
	City	RDA	Total ¹	Amount	Percent of Levy
2003	\$ 3,289,782	\$ 1,639,739	\$ 4,929,521	\$ 4,929,521	100.00%
2004	3,654,765	2,738,215	6,392,980	6,392,980	100.00%
2005	4,117,593	2,480,294	6,597,887	6,597,887	100.00%
2006	5,108,389	3,031,149	8,139,538	8,139,538	100.00%
2007	6,529,780	3,533,990	10,063,770	10,063,770	100.00%
2008	7,148,318	3,338,218	10,486,536	10,486,536	100.00%
2009	7,091,491	3,712,359	10,803,850	10,803,850	100.00%
2010	6,812,588	3,512,956	10,325,544	10,325,544	100.00%
2011	6,398,070	3,476,567	9,874,637	9,874,637	100.00%
2012	6,013,572	3,121,923	9,135,495	9,135,495	100.00%

¹ Schedule excludes unitary tax.

² Yuba City is part of Sutter County which adopted the Teeter Plan in the 1993/94 fiscal year.

Source: Sutter County Tax Collector/Treasurer

CITY OF YUBA CITY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Governmental Activities						
Fiscal Year	Tax Allocation Revenue Bonds	Loans Payable	Certificates of Participation	Pension Obligation Bonds	Capital Lease Payable	Total
2003	\$ 8,185,000	\$ 107,210	\$ 895,000	\$ -	\$ 147,163	\$ 9,334,373
2004	8,010,000	88,896	460,000	-	1,111,132	9,670,028
2005	20,690,000	-	-	-	972,169	21,662,169
2006	20,500,000	-	-	-	828,262	21,328,262
2007	36,255,000	1,479,727	12,500,000	7,685,000	730,993	58,650,720
2008	36,005,000	1,819,241	12,265,000	7,255,000	6,569,953	63,914,194
2009	35,615,000	1,774,102	12,020,000	6,725,000	5,968,590	62,102,692
2010	35,200,000	1,727,641	11,765,000	6,135,000	5,343,660	60,171,301
2011	34,775,000	1,679,818	11,500,000	5,485,000	4,694,239	58,134,057
2012	-	-	11,230,000	4,770,000	4,019,367	20,019,367

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

¹ See Demographic and Economic Indicators schedule for personal income and population data.

n/a: not available

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Business-Type Activities

<u>Revenue Bonds Payable</u>	<u>Certificates of Participation</u>	<u>Loans Payable</u>	<u>Capital Lease Payable</u>	<u>Total</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income¹</u>	<u>Per Capita¹</u>
\$ -	\$ 27,015,000	\$ -	\$ -	\$ 27,015,000	\$36,349,373	3.19%	\$ 752
-	26,560,000	-	-	26,560,000	36,230,028	2.70%	658
-	26,080,000	-	-	26,080,000	47,742,169	3.24%	818
-	50,410,000	-	-	50,410,000	71,738,262	4.63%	1,186
-	49,910,769	-	-	49,910,769	108,561,489	6.60%	1,749
-	48,891,634	-	2,279,648	51,171,282	115,085,476	6.88%	1,817
-	47,815,574	-	-	47,815,574	109,918,266	7.67%	1,727
-	46,696,550	-	-	46,696,550	106,867,851	n/a	1,635
-	41,783,778	9,338,324	-	51,122,102	109,256,159	8.49%	1,666
-	39,906,438	24,309,381	-	64,215,819	84,235,186	6.51%	1,290

CITY OF YUBA CITY
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income ¹	Percentage of Total Taxable Assessed Value ²	Per Capita ¹	
	Certificates of Participation	Pension Obligation Bonds	Capital Lease Payable				Total
2003	\$ 895,000	\$ -	\$ -	\$ 895,000	0.08%	0.04%	\$ 19
2004	460,000	-	1,055,847	1,515,847	0.11%	0.06%	28
2005	-	-	972,169	972,169	0.07%	0.03%	17
2006	-	-	828,262	828,262	0.05%	0.02%	14
2007	12,500,000	7,685,000	730,993	20,915,993	1.27%	0.49%	337
2008	12,265,000	7,255,000	6,569,953	26,089,953	1.56%	0.57%	412
2009	12,020,000	6,725,000	5,968,590	24,713,590	1.72%	0.52%	388
2010	11,765,000	6,135,000	5,343,660	23,243,660	n/a	0.51%	356
2011	11,500,000	5,485,000	4,694,239	21,679,239	1.69%	0.44%	331
2012	11,230,000	4,770,000	4,019,367	20,019,367	1.55%	0.45%	307

¹ See Demographic and Economic Indicators schedule for personal income and population data.

² See Assessed Value and Actual Value of Taxable Property schedule for property value data.

n/a - not available

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

CITY OF YUBA CITY
DIRECT AND OVERLAPPING DEBT GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012

	Percent Applicable ¹	Debt June 30, 2012
OVERLAPPING TAX AND ASSESSMENT DEBT:		
Yuba Joint Community College District	16.294%	\$ 20,710,019
Sutter Union High School District	0.003%	36,847
Yuba City Unified School District School Facilities Improvement District No. 99-1	69.310%	14,421,917
Yuba City Unified School District School Facilities Improvement District No. 2004-1	70.065%	15,782,204
City of Yuba City Community Facilities District No. 2004-1	100.000%	2,900,000
City of Yuba City 1915 Act Bonds	100.000%	4,367,330
California Statewide Communities Development Authority 1915 Act Bonds	100.000%	<u>385,061</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>58,603,378</u>
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Sutter County Certificates of Participation		840,144
Sutter County Board of Education Certificates of Participation		2,675,334
Yuba Joint Community College District Certificates of Participation		3,425,854
Yuba City Unified School District Certificates of Participation		25,796,161
City of Yuba City Certificates of Participation		11,230,000
City of Yuba City Pension Obligations		<u>4,770,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT		<u>48,737,493</u>
COMBINED TOTAL DEBT		<u><u>\$ 107,340,871</u></u> ²
TOTAL DIRECT DEBT		\$ 16,000,000
TOTAL OVERLAPPING DEBT		<u>91,340,871</u>
COMBINED TOTAL DEBT		<u><u>\$ 107,340,871</u></u> ²

¹ Percentage of overlapping agency's assessed valuation located within boundaries of the City of Yuba City

² Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

RATIOS TO 2010-11 ASSESSED VALUATION:

Total Overlapping Tax and Assessment Debt	1.37%
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RATIOS TO ADJUSTED ASSESSED VALUATION:

Combined Direct Debt (\$16,000,000)	0.41%
Combined Total Debt	2.75%

Source: California Municipal Statistics

CITY OF YUBA CITY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Fiscal year			
	2003	2004	2005	2006
Total assessed value of all real and personal property	\$ 2,141,191,177	\$ 2,449,458,491	\$ 2,788,971,498	\$ 3,501,830,528
Debt limit percentage	15.00%	15.00%	15.00%	15.00%
Total debt limit	321,178,677	367,418,774	418,345,725	525,374,579
Amount application to debt limit	895,000	1,515,847	972,169	828,262
Legal debt margin	<u>\$ 320,283,677</u>	<u>\$ 365,902,927</u>	<u>\$ 417,373,556</u>	<u>\$ 524,446,317</u>
Total net debt applicable to the limit as a percentage of debt limit	0.28%	0.41%	0.23%	0.16%

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Fiscal year					
2007	2008	2009	2010	2011	2012
\$ 4,234,096,299	\$ 4,612,562,660	\$ 4,735,083,582	\$ 4,582,176,538	\$ 4,445,145,333	\$ 4,491,922,216
15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
635,114,445	691,884,399	710,262,537	687,326,481	666,771,800	673,788,332
20,915,993	26,089,953	24,713,590	23,243,660	21,679,239	20,019,367
<u>\$ 614,198,452</u>	<u>\$ 665,794,446</u>	<u>\$ 685,548,947</u>	<u>\$ 664,082,821</u>	<u>\$ 645,092,561</u>	<u>\$ 653,768,965</u>
3.29%	3.77%	3.48%	3.38%	3.25%	2.97%

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CITY OF YUBA CITY
PLEDGED REVENUE COVERAGE
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Tax Allocation Revenue Bonds

Fiscal Year	Property Tax Increment	Principal	Interest	Coverage
2003	\$ 1,672,991	\$ 165,000	\$ 467,361	2.65
2004	2,783,597	175,000	500,827	4.12
2005	2,526,031	-	818,351	3.09
2006	3,078,442	190,000	1,160,656	2.28
2007	3,584,401	287,605	1,232,577	2.36
2008	3,338,218	250,000	1,708,563	1.70
2009	3,712,359	390,000	1,966,559	1.58
2010	3,512,956	415,000	1,950,034	1.49
2011	3,476,567	425,000	1,932,096	1.47
2012	3,121,923	445,000	1,906,208	1.33

Loans Payable

Fiscal Year	Principal	Interest
2003	\$ 17,821	\$ 3,317
2004	18,314	2,824
2005	88,896	326
2006	-	-
2007	-	410,276
2008	43,854	53,946
2009	45,139	52,642
2010	46,461	51,301
2011	47,823	49,919
2012	49,224	48,023

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Operating expenses do not include interest, depreciation or amortization.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

CITY OF YUBA CITY
PLEDGED REVENUE COVERAGE
PROPRIETARY FUNDS
LAST TEN FISCAL YEARS

Water Revenue Bonds

Fiscal Year	Operating Revenue	Adjusted Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	-	-	-	-	-	-
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-

Sewer Revenue Bonds

Fiscal Year	Operating Revenue	Adjusted Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	-	-	-	-	-	-
2005	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-
2011	-	-	-	-	-	-
2012	-	-	-	-	-	-

Note: Does not include 2000 Wastewater Certificates of Participation debt defeased of \$9,670,000.

Note: 2002 Wastewater Certificates of Participation were defeased in fiscal year 11/12.

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. Operating expenses do not include interest, depreciation or amortization.

Source: Comprehensive Annual Financial Reports - City of Yuba City, California

Water Certificates of Participation and SRF Loans

Operating Revenue	Adjusted Operating Expenses	Use of Stabilization Reserve	Other Allowed Sources (Uses)	Net Available Revenue	Principal	Interest	Coverage
\$ 7,356,855	\$ (3,548,144)	\$ -	\$ (561,198)	\$3,247,513	\$ 105,000	\$ 254,636	9.03
10,395,107	(2,974,440)		(791,400)	6,629,267	110,000	230,137	16.55
14,975,662	(3,936,113)		(1,061,863)	9,977,686	115,000	225,441	29.22
12,530,784	(4,449,497)		(370,244)	7,711,043	910,000	1,008,170	4.02
10,334,839	(4,911,422)		(392,296)	5,031,121	525,000	1,291,689	2.77
9,237,474	(5,457,677)		(324,810)	3,454,987	550,000	1,267,282	1.90
8,629,300	(5,202,852)		(634,882)	2,791,566	575,000	1,241,738	1.54
8,653,769	(4,816,519)	290,290	(1,949,504)	2,178,036	600,000	1,215,030	1.20
8,824,154	(4,770,068)		(1,709,289)	2,344,797	630,000	1,190,095	1.29
9,592,893	(4,980,680)		(1,762,644)	2,849,569	485,000	1,283,128	1.61

Wastewater Certificates of Participation and Revenue Refunding Bonds

Operating Revenue	Adjusted Operating Expenses	Use of Stabilization Reserve	Other Allowed Sources (Uses)	Net Available Revenue	Principal	Interest	Coverage
\$ 7,787,553	\$ (4,678,874)	\$ -	\$ 115,609	\$3,224,288	\$ 270,000	\$1,163,017	2.25
10,731,002	(4,197,468)		(561,746)	5,971,788	345,000	1,147,947	4.00
11,589,788	(4,639,677)		(448,566)	6,501,545	365,000	1,129,608	4.35
10,986,322	(5,600,344)		(511,629)	4,874,349	385,000	1,110,199	3.26
9,515,078	(5,846,877)		(254,145)	3,414,056	405,000	1,081,644	2.30
9,695,363	(6,046,042)		628,595	4,277,916	469,135	976,312	2.96
9,070,420	(5,937,384)		(265,983)	2,867,053	501,061	953,151	1.97
9,353,229	(5,823,559)		(673,042)	2,856,628	519,025	931,520	1.97
9,523,380	(5,732,765)		(873,291)	2,917,324	542,772	911,317	2.01
9,745,996	(6,135,668)		(1,218,941)	2,391,387	757,341	847,575	1.49

CITY OF YUBA CITY
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population ¹	Personal Income ²		School Enrollment ³	Unemployment Rate ⁴	City Square Miles ⁵
		Total (in thousands)	Per Capita			
2003	48,350	\$ 1,140,093	\$ 23,580	11,647	12.5%	11.23
2004	55,078	1,340,709	24,342	11,921	14.0%	12.86
2005	58,368	1,475,426	25,278	12,294	7.9%	13.30
2006	60,507	1,549,100	25,602	12,237	10.6%	13.89
2007	62,083	1,643,647	26,475	13,060	10.0%	13.94
2008	63,338	1,671,553	26,391	12,758	11.8%	14.58
2009	63,647	1,433,595	22,634	12,842	12.3%	14.58
2010	65,372	n/a	n/a	12,670	21.6%	14.65
2011	65,569	1,286,479	19,620	12,746	21.9%	14.65
2012	65,300	1,294,547	19,825	12,734	17.7%	14.65

¹ Source: California Department of Finance

² Source: California Franchise Tax Board

³ Source: Yuba City Unified School District

⁴ Source: California Employment Development Department

⁵ Source: Yuba City Engineering Department

n/a: not available

**CITY OF YUBA CITY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2012			Fiscal Year 2003		
	Employees	Percent of Total Employment	Rank	Employees	Percent of Total Employment	Rank
Fremont Rideout Medical	1,827	9.27%	1	N/A	N/A	N/A
Yuba City Unified	1,326	6.73%	2	N/A	N/A	N/A
County of Sutter	950	4.82%	3	N/A	N/A	N/A
Sunsweet Growers	710	3.60%	4	N/A	N/A	N/A
Wal-Mart	535	2.72%	5	N/A	N/A	N/A
Sutter North Medical	450	2.28%	6	N/A	N/A	N/A
City of Yuba City	292	1.48%	7	N/A	N/A	N/A
Sam's Club	197	1.00%	8	N/A	N/A	N/A
Bel Air/Raley's	182	0.92%	9	N/A	N/A	N/A
Target	150	0.76%	10	N/A	N/A	N/A
	6,619	33.60%				

Source: City of Yuba City Economic Development Division

N/A - Data not available

CITY OF YUBA CITY
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental Activities						
General Government						
City manager	2.00	2.00	2.00	3.00	2.00	2.00
Finance	14.00	14.00	14.00	16.00	16.00	16.00
Information services	4.00	4.00	4.00	4.00	4.00	4.00
Human resources	4.50	5.50	6.00	6.00	6.00	6.00
Public Safety						
Police	72.50	84.50	84.50	97.50	102.50	102.50
Fire	46.60	46.60	47.10	49.10	52.10	52.10
Parks and Recreation	29.00	29.00	26.00	28.00	30.50	32.50
Public Works and facilities						
Administration	2.00	2.00	2.00	2.00	2.00	2.00
Custodial	9.75	9.75	9.75	9.75	11.75	11.75
Streets	10.30	10.30	10.30	10.50	10.30	10.30
Engineering	9.00	9.00	8.00	8.00	8.00	6.00
Electrical maintenance	4.10	4.10	4.10	4.10	4.10	4.10
Community Development						
Planning	4.00	4.00	7.00	7.00	5.00	5.00
Building inspection	7.00	8.00	11.00	11.00	12.00	10.00
Economic development	3.50	3.50	2.60	2.60	2.60	1.60
Water	21.70	23.70	24.20	27.60	29.50	27.95
Wastewater	24.90	26.90	29.40	33.80	36.10	36.65
Vehicle maintenance	4.25	5.25	5.25	5.25	5.25	5.25
Total Full-Time Equivalent Employees	273.10	292.10	297.20	325.20	339.70	335.70

Source: City of Yuba City Finance Department

Fiscal Year			
2009	2010	2011	2012
2.00	4.00	3.75	3.50
16.60	13.52	17.52	13.00
4.00	4.00	-	5.00
5.50	4.50	3.50	3.00
103.50	101.50	91.50	91.50
55.10	55.10	55.10	55.00
31.73	26.24	20.23	18.23
3.00	3.00	3.75	2.00
11.75	9.75	5.00	5.00
10.23	9.23	9.23	9.23
8.00	10.00	10.00	10.00
4.08	1.08	0.88	0.88
4.00	3.00	3.00	4.00
10.00	6.00	5.00	5.00
1.00	1.00	1.00	1.00
28.73	29.58	24.58	25.43
37.73	38.88	35.08	36.23
5.25	5.25	4.25	4.00
<u>342.20</u>	<u>325.63</u>	<u>293.37</u>	<u>292.00</u>

**CITY OF YUBA CITY
OPERATING INDICATORS
BY FUNCTION/PROGRAM
LAST TEN YEARS**

	Calendar Year				
	2003	2004	2005	2006	2007
Finance					
Utility customers billed	13,875	15,319	16,861	17,100	17,896
Community Development					
Single family dwelling building permits issued	589	750	991	869	292
Land use entitlement applications	124	118	126	119	74
Police					
Citations issued	7,992	9,148	8,978	8,130	10,298
Arrests made	2,908	3,134	3,020	3,126	3,140
Requests for services	38,109	47,708	49,563	58,368	44,593
Fire					
Fire responses	5,148	5,205	5,384	5,852	6,119
Area served (sq. miles)	11.000	11.000	17.200	17.200	17.200
Parks and Recreation					
Classes held	n/a	n/a	n/a	754	320
Hours of recreation offered	n/a	n/a	n/a	13,977	6,000
Total participants	n/a	n/a	n/a	12,220	7,402
Public Works					
Encroachment permits	136	110	130	122	105
Subdivision agreements	22	21	21	12	3
Capital improvement projects	26	26	26	9	10
Park acres overseen	122.50	122.50	130.00	130.00	130.00
Street maintenance - crack seal (streets)	n/a	n/a	n/a	30	-
Street maintenance - traffic marking paint (gal.)	525	600	625	650	1,175
Street light repairs	n/a	n/a	418	304	588
Water					
Water introduced to system (million gallons)	3,923	5,481	5,933	5,435	6,128
Metered water deliveries (hundred cubic feet)	4,890,372	4,857,062	5,198,150	5,229,748	7,404,329
Wastewater					
Effluent (millions of gallons per day)	5.556	5.975	5.300	5.281	6.088

n/a - information was not required to be reported in prior years and was not retained

Source: City of Yuba City Finance Department

Calendar Year				
2008	2009	2010	2011	2012
17,570	17,628	17,806	17,997	18,338
54	39	37	8	13
92	42	37	26	21
12,597	11,769	8,485	8,831	6,741
3,465	3,452	3,336	3,180	2,989
43,936	48,053	44,856	47,880	46,093
6,591	7,169	7,101	7,302	7,712
30.000	30.000	30.000	30.000	30.000
500	1,182	2,762	2,484	3,010
5,800	8,190	17,530	17,217	17,766
12,500	36,749	93,103	78,787	99,102
117	83	98	106	84
3	-	-	-	-
17	20	20	20	15
130.00	133.00	133.00	133.00	133.00
52	93	70	76	72
910	925	538	401	40
621	468	398	414	406
6,008	6,220	6,091	4,985	5,248
6,010,883	5,976,940	5,450,998	5,351,142	6,436,753
5.366	5.150	6.500	5.800	5.900

**CITY OF YUBA CITY
CAPITAL ASSET STATISTICS
BY FUNCTION/PROGRAM
LAST TEN YEARS**

	Calendar Year					
	2003	2004	2005	2006	2007	2008
Police						
Stations	1	1	1	1	1	1
Fire						
Stations	5	5	5	5	5	5
Public Works						
Streets (centerline miles)	n/a	n/a	n/a	285	285	237
Street lights	n/a	n/a	n/a	6,000	6,000	6,071
Traffic signals	n/a	n/a	n/a	32	32	33
Parks and Recreation						
Office buildings	-	-	1	1	2	2
Park acreage	100	110	110	110	110	110
Playing fields/courts	7	7	7	7	7	7
Swimming pools	1	1	1	1	1	1
Water play features	-	1	1	1	1	1
Water						
Water mains (miles)	n/a	n/a	n/a	233	229	232
Fire hydrants	n/a	n/a	n/a	2,324	2,317	2,324
Storage capacity (million gallons)	10.25	10.25	14.00	14.00	18.00	18.00
Treatment capacity (million gallons)	24.0	27.0	36.3	36.3	48.3	48.5
Wastewater						
Sewer mains (miles)	n/a	n/a	158	158	155	176.5
Treatment capacity (million gallons)	7	7	7	7	10.5	10.5

n/a - information was not required to be reported in prior years and was not retained

Source: City of Yuba City Finance Department

Calendar Year			
2009	2010	2011	2012
1	1	1	1
5	5	5	5
237	237	237	237
6,071	6,071	6,078	6,078
34	34	37	37
3	3	2	2
113	113	113	113
7	7	7	7
1	1	1	1
2	2	2	2
260	260	274.7	275
2,593	2,593	2,684	2,688
18.00	18.00	21.00	21.00
48.5	36.0	36.0	36.0
176.5	176.5	179	179
10.5	10.5	10.5	10.5